



The Karnataka Entertainments Tax Act, 1958

Act 30 of 1958

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STATEMENT OF OBJECTS AND REASONS

I

Act 30 of 1958.- At present, there are different laws for the levy and collection of entertainment tax in the integrated areas of the State. It is proposed to have a uniform law on the subject for the entire State.

2. In the Hyderabad, Madras and Mysore areas of the State, there is a cinema show tax in addition to entertainment tax. It has been considered desirable to have a uniform law on this subject applicable to the entire new State.

3. The draft Bill provides for the levy and collection of entertainments tax and for the payment of 90 per cent of the proceeds to the local authorities in whose

jurisdiction the entertainments are held. It also provides for the collection of a cinema show tax at rates varying from Re.1 to Rs. 3 for each cinema show. The entire proceeds of the cinema show tax will be credited to Government.

(Obtained from Notification No. 1604 - L.A., dated 3.5.1958. Published in the Karnataka Gazette (Extraordinary) Part IV-2A as No. 98.)

II

Amending Act 14 of 1966.—At present, tax is being levied on all entertainments except those which are specially exempted under section 7 of the Mysore Entertainments Tax Act, 1958. A surcharge on the entertainments tax is also levied under the Mysore Entertainments Tax (Surcharge) Act, 1962. In order to give encouragement to entertainments such as exhibitions, magic shows, dances, etc., it is proposed to abolish the levy of tax in such entertainments, and to levy entertainments tax only on horse races and cinematograph shows. It is also proposed to repeal the Mysore Entertainments Tax (Surcharge) Act, 1962 and to incorporate the provisions made therein with an increase of twenty-five per cent of the rate in the Mysore Entertainments Tax Act itself.

As regards the additional tax on cinematograph shows levied under section 4 of the Act, it is proposed to levy a higher rate of tax per show. Further in the City of Bangalore, in the case of Class I Theatres, i. e., theatres in which the rate for admission to the highest class is not less than two and a half rupees, it is proposed to levy the tax at ten rupees per show. Hence this Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 26th March 1966, as No. 56, p. 11.)

III

Amending Act 31 of 1969.—While considering methods by which delays in the disposal of cases can be reduced and the time of the courts can be saved in trying a large volume of petty cases, the Law Commission of India in their fourteenth Report recommended the adoption of the procedure laid down in section 130 of the Motor Vehicles Act, 1939. Section 130 of the Motor Vehicles Act, 1939 provides for the summary disposal of cases arising under that Act in respect of specific class of offences thereunder. In accordance with that section, the accused person can plead guilty to the charge by registered letter and remit to the court as fine such sum as the court may specify. The Commission has recommended that this procedure may be extended to minor offences under other Acts.

After examining the suggestion of the Law Commission of India, it has been decided to make a provision in the Mysore Sales Tax Act, 1957 (Mysore Act 25 of

1957) and the Mysore Entertainments Tax Act, 1958 (Mysore Act 30 of 1958) similar to section 130 of the Motor Vehicles Act, 1939 to deal with the offences prescribed under section 29 (1) of the Mysore Sales Tax Act, 1957 and section 12 (1) (b) (ii) of the Mysore Entertainments Tax Act, 1958. Hence this Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 4–5th February 1969, as No. 8579, p. 80.)

IV

Amending Act 14 of 1971.—In order to raise additional resources to be utilised exclusively for the relief of Bangla Desh refugees, the Government of Mysore has proposed to levy an additional surcharge of ten per cent, raising the existing surcharge of fifty per cent to sixty per cent of the basic entertainments tax on every payment for admission to an entertainment. The present measure is being enacted to give effect to the said proposal.

2. The Committee constituted under the proviso to subsection (2) of Section 3 of the Mysore State Legislature (Delegation of Powers) Act, 1971 (23 of 1971), has been consulted before enactment of this measure as a President's Act.

(Obtained from Presidents Act 14 of 1971.)

V

Amending Act 4 of 1973.— President's Act 14 of 1971, 16 of 1971, 17 of 1971 and 18 of 1971 had been enacted to raise additional resources for the relief of Bangla Desh Refugees. They expire on 24th March 1973.

It is proposed that while the additional levies for the relief of Bangla Desh Refugees may cease, the levies may be retained till 31st March 1974 to raise additional resources to meet the cost of 'People's Housing Programme' to be undertaken by the State Government.

Hence this Bill.

(Obtained from L.A. Bill No.16 of 1973)

VI

Amending Act 15 of 1974.— It is proposed to raise the rates of "Surcharge" and "Show Tax" in order to augment the revenues of the State.

Hence this Bill.

(Obtained from L.A. Bill No.14 of 1974)

VII

Amending Act 36 of 1976.—With a view to augment the revenues of the State, it is proposed to levy an Additional Tax on entertainments on the value of tickets (inclusive of Entertainment Tax and Surcharge).

It is further proposed, in order to effectively check evasion to increase the fines leviable under the Act and to provide for imprisonment as an alternative penalty.

It is also proposed for the same reason to amend the Karnataka Cinemas Regulation Act to enable revocation or suspension of the cinema licence even when offences under the Act are compounded.

Incidental amendments providing for rounding off the tax to the nearest multiple of five paise, refund of tax in case of power failure or mechanical breakdown etc., are also proposed to be made.

Hence this Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 30th March 1976, as No. 1744, p. 8.)

VIII

Amending Act 16 of 1977.— At present, entertainment tax is levied on each payment for admission to an entertainment. In addition, surcharge and additional tax are levied on the same basis. An additional tax on cinematograph shows is also levied at prescribed rates per show. In view of the increasing number of complaints about the large scale evasion of entertainment tax especially by the proprietors of Cinema theatres in mofussil places, and in order to check such evasion, it is proposed to introduce a revised scheme of levy of entertainment tax in lumpsum on the basis of shows held in cinema theatres situated in places having less than 10,000 population. The proposed rate of tax per show is 12 per cent of the 'Gross Collection Capacity' (GCC), which is a notional sum representing the payments for admission to a show if all aggregate of all the seats in the cinema theatre are occupied.

Opportunity is also taken to make some minor amendments to overcome difficulties experienced in implementing the Act.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 1st April 1977, as No. 259, p. 6.)

IX

Amending Act 3 of 1979.—Section 9 (3) (b) of the Karnataka Entertainments Tax Act, 1958 prescribes that arrears of sums due under the Act may be recovered *inter alia*, by a Magistrate on application to him, as if they were a fine imposed by him.

In the case reported in 28 STC at page 492, the High Court of Karnataka has held that the Magistrate is incompetent to recover sums which are in excess of his pecuniary jurisdiction specified in the Code of Criminal Procedure.

To overcome the effect of the said decision of the High Court it is considered necessary to amend Section 9 (3) (b) to make it clear that a Magistrate can recover any amount of tax or amount due, notwithstanding anything contained in the Code of Criminal Procedure.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 9th August 1978, as No. 1127. p. 3.

X

Amending Act 21 of 1979.— In order to augment the revenues of the State it is proposed to second taxation and other laws. Opportunity is taken to make some other amendments also.

Hence this Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A dated 27-3-1979 as No. 259).

XI

Amending Act 25 of 1979.—In order to augment the revenues of the State, the Karnataka Taxation and Certain Other Laws (Amendment) Act, 1979, has been brought into force.

According to the said Act, the tax has been increased by hundred per cent on Films which are granted 'A' certificate. Several representations have been received to reduce the same. Government propose to retain the power to make a reduction in the tax payable on 'A' Certificate Films.

It is also proposed to amend section 7 of the Karnataka Entertainments Tax Act, 1958, so as to provide exemption for Children's Film as it is an 'International Children's Year'.

Hence this Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 19th April 1979, as No. 355, p. 5.)

XII

Amending Act 14 of 1980.—To augment the revenue of the State and to further rationalise the taxation structure, it is proposed to make certain amendments to the Karnataka Entertainments Tax Act, 1958, the Karnataka Forest Act, 1963 and the Karnataka Sales Tax Act, 1957. Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 14th March 1980, as No. 192, p. 5.)

XIII

Amending Act 26 of 1980.—Under the provisions of the Karnataka Entertainments Tax Act 1958 (Karnataka Act 30 of 1958), the entertainments tax payable in respect of the films for which 'A' certificates are granted by the Board of Film Censors for restricted exhibition is twice the tax payable in other cases.

It is now felt that the tax payable for such films should be the same as that normally paid for other films.

The present Bill is intended to achieve this object.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 18th July 1980, as No. 567, p. 3.)

XIV

Amending Act 5 of 1981.—The present Bill is intended to give effect to the pronouncements made in the Budget Speech for the year 1981-82. In view of the proposed general reduction in the rate of tax applicable to Kannada, Konkani and Telugu Films produced in the State and with a view to safe-guarding Government revenue, certain provisions of the Law relating to grant of exemptions from payment of tax. Films on the basis of their language, theme or attitude value, etc., are now proposed to be modified. However grant of exemptions to Films receiving National or State Awards would be continued under the existing provisions of the Act. The provision in the existing Act relating rounding off of tax liability is modified in the interest of State revenue.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 26th March 1981, as No.197, p. 4.)

XV

Amending Act 13 of 1982.—In the budget speech for the year 1982-83, the Hon'ble Minister for Finance and Tourism, has indicated several proposal in order to augment the revenue of the State. This Bill seeks to give effect to the said proposals. Opportunity is taken to make some other minor amendments.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 27th March 1982, as No. 228, p. 31.)

XVI

Amending Act 2 of 1983.—Under the scheme of compulsory composition in section 4A of the Karnataka Entertainments Tax Act, 1958 (Karnataka Act No. 30 of 1958) as applicable to the cinematograph shows held in cinema theatres situated in local authorities with a population exceeding 15000 and less than 25000, as is payable either at 25 per cent of the gross collection capacity or at 20 per cent of the gross collection capacity on the maximum number of shows per day. It is not permissible to pay the tax in respect of such theatres in accordance with sections 3 and 3A of the Act. It was found that this scheme imposed very heavy tax burden on such theatres and some relief was necessary. It is therefore proposed to amend section 4A and provide for a scheme of composition for such theatres under which option is given to the proprietors of such theatres to pay either entertainments tax and surcharge under sections 3 and 3A or entertainments tax at 20 per cent of the gross collection capacity on the maximum number of permitted shows.

In order to remove difficulties in the determination of gross collection capacity of drive-in-theatres for levying entertainments tax it is proposed to remove such theatres from the scheme of composition under section 4A.

The incentive by way of reduction of 50 per cent of the entertainments tax given to Kannada, Kodava, Konkani and Tulu language films is now confined only to such films produced in the State of Karnataka. With a view to further encourage the development of films in the above regional languages it is now proposed to remove the said restriction by amending sections 3C and 4A.

An Ordinance was promulgated to bring some of the provisions aforementioned immediately into force.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 26th November 1982, as No. 824, p. 56.)

XVII

Amending Act 9 of 1983.—According to the existing provisions of the Karnataka Entertainments Tax Act, 1958, levy of tax is restricted only to the two types of entertainments namely cinematograph shows and horse races. In the Budget speech for the year 1983-84, it has been indicated that the levy of entertainments tax shall be extended to certain selected games as well, but at concessional rates. The Bill seeks to implement these pronouncements in the Budget speech.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 29th March 1983, as No. 204, p. 53.)

XVIII

Amending Act 9 of 1984.—In the Budget Speech for the year 1984-85, The Hon'ble Chief Minister has proposed to withdraw the levy of Entertainments Tax on sports and also to provide for the passing of benefit of exemption or reduction of entertainments tax to the cinegoers in respect of theatres which are covered by composition scheme.

The Karnataka Taxation Review Committee had recommended prescribing a minimum penalty for evasion of taxes.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 22nd March 1984, as No. 180, p. 50.)

XIX

Amending Act 3 of 1985.—The proposed legislation is for the purpose of making amendments to certain definitions under the Act with a view to making the levy of tax effective; for liberalising exemptions in favour of award winning films, educational films and children films. The proposed legislation also seeks to extend the composition Scheme to places upto a population of one lakh and also to extend the scheme to entertainment through video shows. It is also proposed to rationalise and streamline the existing provisions.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 22nd September 1983, as No. 836, p. 59.)

XX

Amending Act 22 of 1985.—Consequent upon the presentation of the budget for the year 1985-86 the following amendments to the Karnataka Entertainments Tax Act, 1958 become necessary.

Clause 2 provides for amendment of section 3C to limit the concession now given to films produced in the regional languages outside the State for a period or one year from 1-1-1986 and continue such concession to such films produced within the State.

Clause 3 is to prohibit the proprietors of cinema theatres from collecting show tax from the persons admitted to the cinema.

Clause 4(3) is to plug the evasion of tax by the proprietors of cinema theatres paying tax under section 4A.

In respect of Video Shows, the tax is increased from Rs. 100 per month to Rs. 1,000 per month.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 1st August 1985, as No. 416, p. 47.)

XXI

Amending Act 3 of 1987.—According to clause (b) of sub-section (1) of section 3C of the Karnataka Entertainment Tax Act, 1958 in the case of a cinematograph show of a Kannada, Kodava, Konkani or Tulu film produced outside the State of Karnataka the rates of entertainment tax payable shall be one half of the rates specified therein for a period of six months from the date of first release of such film in the State of Karnataka, but not beyond 31st December 1986. It is proposed to extend the date from 31st December 1986 to 31st December 1987.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 4th February 1987, as No. 98, p. 67.)

XXII

Amending Act 15 of 1987.—To give effect to the proposals made in the budget speech it is proposed to amend the Karnataka Entertainments Tax Act, 1958. Opportunity is taken to make a consequent amendment to section 4A also.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 27th March 1987, as No. 244, p. 77.)

XXIII

Amending Act 17 of 1987.—To give effect to the announcement made by the Hon'ble Chief Minister on the floor of the Assembly on 27th March 1987, it is proposed to increase the rate of show tax in lieu of exemption of tax on leasing of feature films under Karnataka Sales Tax Act, 1957.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 3rd April 1987, as No. 285, p. 65.)

XXIV

Amending Act 31 of 1987.—The definition of "local authority" appearing in clause (g) of section 2 of the Karnataka Entertainments Tax Act, 1958 includes a town panchayat or a village panchayat. After coming into force of the Karnataka

Zilla Parishads, Taluk Panchayat Samithis, Mandal Panchayats and Nyaya Panchayats Act, 1983, the town panchayats and village panchayats are no more in existence and in their place Mandal Panchayats are constituted. Therefore, it is necessary to amend clause (g) to substitute the expression “Mandal Panchayat” in place of “town panchayats or Village panchayat”.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 2nd September 1987, as No. 573, p. 69.)

XXV

Amending Act 2 of 1988.—With a view to give some relief to the exhibitors of Kannada films from the enhancement of Show Tax, it is proposed to amend the Karnataka Entertainments Tax Act, 1958.

As the matter was urgent and the Karnataka Legislative Council was not in Session, the Karnataka Entertainments Tax (Amendment) Ordinance, 1987 (Kannada Ordinance 7 of 1987) was promulgated.

This Bill seeks to replace the said Ordinance.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 23rd January 1988, as No. 54, p. 62.)

XXVI

Amending Act 17 of 1988.—While a film in Kannada, Kodava, Konkani or Tulu language has to secure a “best feature film award” for exemption from payment of entertainments tax, a film in any other language has to secure only “an award” for exemption from payment of Entertainments Tax. It is proposed to set right the anomaly in the condition necessary for grant of exemption from payment of entertainments tax by requiring films in other languages also to secure “a best feature film award” for grant of exemption from payment of Entertainments Tax.

With a view to provide some relief to films other than Kannada, Kodava, Konkani or Tulu languages, it is proposed to reduce the show tax.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 2nd April 1988, as No. 201, p. 3.)

XXVII

Amending Act 20 of 1989.—It is proposed to amend the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),—

(i) to empower the State Government or the Commissioner to issue orders, instructions and directions to the subordinate officers for the effective implementation of the provisions of the Act; and

(ii) to empower the Commissioner to transfer the powers conferred on an entertainments Tax Officer in respect of any specified place of Entertainments to any other Entertainments Tax Officer.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 27th March 1989, as No. 167, p. 74.)

XXVIII

Amending Act 7 of 1990.—To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Entertainments Tax Act, 1958.

Opportunity is also taken to rationalise certain provisions of the said Act.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 29th March 1990, as No. 162, p. 71.)

XXIX

Amending Act 6 of 1992.—After examining the representation made by the Karnataka Film Chamber of Commerce, it was considered necessary to extend 50% concession in Entertainment Tax to all Kannada, Kodava, Konkani or Tulu films censored before 31-12-1987, irrespective of whether the film has been produced within Karnataka or outside, and without any time limit. Accordingly, the Karnataka Entertainment Tax (Amendment) Ordinance, 1991 (Karnataka Ordinance No. 12 of 1991) was promulgated.

This Bill seeks to replace the said Ordinance.

Opportunity is also taken to amend Section 17 to provide for payment of compensation to the local authorities out of the proceeds of the surcharge collected during any year.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 30th March 1992, as No. 199, p. 51.)

XXX

Amending Act 5 of 1993.—Consequent to the re-designation of posts in the Commercial Tax Department, it has become necessary to make suitable amendments in the relevant Taxation Laws.

The full bench of our High Court in Shah Wallace case while overruling a Division Bench judgement of our High Court in Janardhanacharya's case had held that the notifications issued under section 8A of the Karnataka Sales Tax Act, 1957 become inoperative when the relevant provisions of the Act are subsequently amended by way of insertion of any entry relating to the class of goods to which exemptions were given by the notifications. Therefore, it was considered necessary to suitably amend the said Act, to save the notifications already issued.

As the matter was urgent and both the Houses were not in session, the amendments were carried-out by promulgation of the Karnataka Taxation Laws (Amendment) Ordinance, 1992.

This Bill seeks to replace the above Ordinance. Hence the Bill.

(Obtained from L.A. Bill No. 29 of 1992.)

XXXI

Amending Act 11 of 1993.— (As appended to at the time of introduction of the Bill)

It is considered necessary to amend the Karnataka Tax on Luxuries (Hotels and Lodging Houses) Act, 1979, the Karnataka Tax on Professions, Traders, Callings and Employments Act, 1976, the Karnataka Entertainments Tax Act, 1958 and the Karnataka Sales Tax Act, 1957 to give effect to the proposals made in the budget speech and matters connected therewith.

Hence the Bill.

(Obtained from L.A. Bill No. 15 of 1993)

XXXII

Amending Act 18 of 1994.—It is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Tax on Entry or Goods Act, 1979, the Karnataka Entertainments Tax Act, 1958, the Mysore Betting Tax Act, 1932 and the Karnataka Agricultural Income Tax Act, 1957 to give effect to the proposals made in the Budget speech and matters connected therewith.

Hence the Bill.

(Obtained from L.A. Bill No. 12 of 1994.)

XXXIII

Amending Act 25 of 1994.—It is considered necessary to amend the Karnataka Entertainments Tax Act, 1958 to give effect to the report of the Committee Constituted under the Chairmanship of Sri V. N. Subba Rao to suggest comprehensive policy for Karnataka Film Industry.

The Bill among other things provides for :

- (i) levy of tax on cinematograph shows other than video shows on the basis of gross collection capacity per show in respect of entertainment held in cinema theatres situated within the limits of a local authority or town or village having a population above 15,000;
- (ii) levy of entertainment tax at one-half of the rate in respect of a Kannada film remade from a film of any other language after a period of ten years from the date of issue of certificate by the Central Board of Film Certification to such other Language Film;
- (iii) levy of entertainment tax at one-half of the rate in respect of a Kannada film remade from a film of any other language which has secured a best feature film award by the Central Government or any State Government or has figured in the Panorama Section of International Film Festival;
- (iv) payment of a lumpsum tax in lieu of tax under section 3B in respect of cinematograph shows other than video shows on the basis of gross collection capacity per show (irrespective of actual shows held or not) in cinema theatres situated within the limits of local authority or town or village having a population above fifteen thousand;
- (v) exemption of entertainment tax for a period one year to be specified by the Government in respect of cinematograph show of a Kannada, Konkani, Kodava or Tulu film which has secured a best feature film award granted by the Central Government or any State Government or any internationally recognized award;
- (vi) exemption of entertainment tax for a period of six months to be specified by the Government in the case of cinematograph show of a film other than Kannada, Konkani, Kodava or Tulu film which has secured a best feature film award granted by the Central Government or any State Government or any internationally recognised award;
- (vii) levy of tax at one-half of the rates in the case cinematograph show of Kannada, Konkani, Kodava or Tulu film produced in the State of Karnataka;

- (viii) levy of tax at one-half of the rates in the case cinematograph show of a Kannada, Konkani, Kodava or Tulu film produced outside the State of Karnataka and which has secured a censor certificate issued by the Central Board of Film Certification on or before 31st December 1987.

Certain consequential changes also have been made.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 29th August 1994, as No. 714, p. 31.)

XXXIV

Amending Act 6 of 1995.—It is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Agricultural Income Tax Act, 1957, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Entertainment Tax Act, 1958, the Karnataka Tax on Entry of Goods Act, 1979, Karnataka Tax on Luxuries, (Hotels and Lodging House) Act, 1979, the Mysore Betting Tax Act, 1932 and to give effect to the proposals made in the Budget speech and matters connected therewith.

Hence the Bill.

(Obtained from L.A. Bill No. 4 of 1995..)

XXXV

Amending Act 5 of 1996.—It is considered necessary to amend the Karnataka Tax on Luxuries (Hotels and Lodging Houses) Act, 1979, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Entertainments Tax Act, 1958, the Karnataka Agricultural Income Tax Act, 1957, and the Karnataka Sales Tax Act, 1957 to give effect to the proposals made in the Budget speech and matters connected therewith.

(Obtained from L.A. Bill No. 12 of 1996.)

XXXVI

Amending Act 15 of 1996.—It is considered necessary to make amendments to the following enactments.

1. It is proposed to amend sub-section (7) of section 5 of the Karnataka Tax on Entry of Goods Act, 1979 to empower the Joint Commissioner instead of the Commissioner to defer the assessment.

2. Consequent to the amendment of section 3 of the Karnataka Tax on Luxuries (Hotels and Lodging Houses) Act, 1979, clause (5) of Section 2 thereof is proposed to be amended.

3. It is proposed to insert a new Section 7A in the Karnataka Entertainments Tax Act, 1958 to empower the State Government to notify exemption or reduction of tax in respect of entertainments held in newly constructed cinema theatres situated within the limits of any specified local authority or class of local authority.

4. In the Karnataka Sales Tax Act, 1957, it is proposed to amend:—

- (i) sub-section (1) of section 3B to empower the Commissioner instead of the State Government to specify the functions of the Additional Commissioners.
- (ii) Explanation to sub-section (1C) of Section 5, to re-define the term silk fabrics with a view to include only such silk fabrics in which proportion of silk is 60% or more by weight of total fibre content so that small time weavers who weave the silk sarees of inferior quality with less than 60% silk content and sell to the customers, will get tax relief.
- (iii) proviso to sub-section (2) of section 6A, to empower the Commissioner to notify any other goods in addition to the goods referred to in the proviso.
- (iv) sub-section (3) of section 28-A, to empower the officer intercepting any goods vehicle at any place other than a check post or barrier to direct the person incharge or owner of such goods vehicle to take it to the nearest check post or Police Station for the purpose of examining contents in the vehicle;
- (v) sub-section (4) of section 28-A to provide for levy of minimum penalty and to enhance the upper limit of the penalty.
- (vi) sub-section (6) of section 28-A, to empower the officer levying penalty to retain the goods vehicle in case of a tanker carrying goods in liquid or gaseous form or to retain the whole goods if it is a single unit and not separable into any part; and to provide for furnishing Bank guarantee in respect of the penalty leviable under the Act.
- (vii) serial number 3-A of Second Schedule to reduce the tax from 12 per cent to 4 per cent in respect of agricultural implements like cultivators, discploughs etc.,

5. Certain consequential amendments are also made.

(Obtained from L.A. Bill No. 23 of 1996.)

XXXVII

Amending Act 7 of 1997.—It is considered necessary to amend the Karnataka Tax on Luxuries (Hotels, Lodging Houses and Marriage Halls) Act, 1979 (Karnataka Act 22 of 1979), the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), the Karnataka Excise act 1966 (Karnataka Act 21 of 1966), the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958), the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957), the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), the Mysore Betting Tax Act 1932 (Mysore Act IX of 1932), and to give effect to the proposals made in the Budget Speech and matters connected therewith. Certain consequential amendments are also made.

Hence, the Bill.

(Obtained from L.A. Bill No. 12 of 1997.)

XXXVIII

Amending Act 18 of 1997.—It is considered necessary to amend the Karnataka Sales Tax Act, 1957 to reflect the clear intention of the Budget speech for the year 1997-98.

After considering the representation made by the Karnataka Film Chamber of Commerce, it was considered necessary to amend the Karnataka Entertainments Tax Act, 1958 to provide for,

- (i) reduction of rate of entertainment tax, and
- (ii) abolition of surcharge consequent to re-introduction of ticket sealing system with effect from 1.4.97;

In view of the decision of the Hon'ble High Court of Karnataka in W. P. No. 2397/1988 and other connected matters, it has become necessary to amend the Karnataka Agricultural Income Tax, 1957 retrospectively with effect from 1.4.1975 to facilitate assessment of income received after dissolution of a firm even though at the time of such assessment the firm stood dissolved.

Hence, the Bill.

(Obtained from L.A. Bill No. 35 of 1997.)

XXXIX

Amending Act 3 of 1998.— It is considered necessary to amend the Karnataka Taxation Laws Amendment Act, 1997 (Karnataka Act 7 of 1997), the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), the Karnataka Tax on

Luxuries (Hotels, Lodging Houses and Marriage Halls) Act, 1979 (Karnataka Act 22 of 1979), the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958), the Karnataka Excise Act 1966 (Karnataka Act 21 of 1966), the Mysore Betting Tax Act 1932 (Mysore Act IX of 1932), the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) and to give effect to the proposals made in the Budget Speech and matters connected therewith. Certain consequential amendments are also made.

Hence, the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 26th March 1988, as No. 349, p. 32 and L.A. Bill No. 6 of 1998.)

XL

Amending Act 20 of 1998.- It is considered necessary to amend the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) and the Karnataka Entertainment Tax Act, 1958 (Karnataka Act 32 of 1958) to provide for exemption for certain State public undertakings engaged in manufacturing activities from deduction Tax under section 19AA, to authorise the Joint Commissioner of the Commercial Taxes to permit prosecution under section 29(2), to increase the composition amount to be on par with the other penalties under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), and to provide relief to cinema theatres in respect of Show Tax under the Karnataka Entertainment Tax Act, 1958 (Karnataka Act 32 of 1958).

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A, dated 15th May 1998, as No. 601, p.5)

XLI

Amending Act 4 of 1999.- It is considered necessary to amend the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957), the Karnataka Tax on entry of goods Act 1979 (Karnataka Act 27 of 1979) the Karnataka Tax on Luxuries (Hotel, Lodging Housed and Marriage Halls) Act, 1979 (Karnataka Act 22 of 1979) and the Karnataka Entertainment Tax Act, 1958 (Karnataka Act 30 of 1958) to give effect to the proposals made in the Budget Speech and matters connected therewith. Certain consequential amendments are also made.

Hence, the Bill.

(Obtained from L.A. Bill No. 6 of 1999.)

XLII

Amending Act 5 of 2000.- It is considered necessary to amend the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957), the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979) and the Karnataka Entertainment Tax Act, 1958 (Karnataka Act 30 of 1958) to give effect to the proposals made in the Budget Speech and matters connected therewith. Certain consequential amendments are also made.

Hence, the Bill.

(Obtained from L.A. Bill. No. 6 of 2000.)

XLIII

Amending Act 26 of 2000.- (As appended to at the time of introduction)

In the Budget 200-2001, the entertainment tax on non-Kannada films was enhanced from 70% to 100% with effect from 1.4.2000 and necessary amendments were made to the Karnataka Entertainment Tax Act, 1958.

After the Tax was so enhanced, representations were received from some of the trade bodies including cinema talkies owners and peoples representatives that this increase was very steep and had caused lot of distress to the cine owners and cine goers and had adverse impact on the attendance in cinema halls and would severely impair the cinema trade including the upkeep of the cinema halls.

Likewise, there were request for Banjara-specking peoples, who are also minorities in the State of karnataka to extend the benefit of exemption from payment of entertainment tax in respect of Banjara film as it has been allowed to Kodava Konkani and tulu films.

After examining the representations, the Government was convinced that cinema trade in Karnataka so far as it relates to non-Kannada film was severely affected on account of steep increase in the rate of entertainment tax with effect from 1.4.2000 and therefore it was felt necessary to reduce the rate of tax to 80% by making suitable amendments to the Karnataka Entertainment Tax Act, 1958 to redress the hardship caused to the cine owners and cine goers. It was also considered necessary to extend the benefit of exemption to Banjara film.

Since the Matter was urgent and the Karnataka Legislative Council was nor in session, the Karnataka Entertainment Tax (Amendment) Ordinance, 2000 (Karnataka Ordinance No. 6 of 2000) was promulgated to achieve the above object.

Hence the Bill

(Obtained from L.A. Bill No 28 of 2000).

XLIV

Amending Act 5 of 2001.- To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Sales Tax Act, 1957 (Karnataka Act

25 of 1957 the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), the Karnataka Tax on luxuries Act, 1979 (Karnataka Act 22 of 1979), the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958), the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976) and the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957). Certain consequential amendments are also made.

Hence the Bill

(Obtained from L.A. Bill No 7 of 2001. DPAL 9 SHASANA 2001).

XLV

Amending Act 5 of 2002.- It is considered necessary to amend the Karnataka Agriculture Income Tax, 1957, the Karnataka Sales Act, 1957, the Karnataka Taxes on Luxuries Act, 1979, the Karnataka Taxes on entry of Goods Act, 1979 and the Karnataka Entertainment Tax Act, 1958 to give effect to the proposal made in the Budget Speech and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill

(Obtained from L.A. Bill No 12 of 2002. DPAL 18 SHASANA 2002).

XLVI

Amending Act 7 of 2003.- It To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Agricultural Income Tax Act, 1957, the Karnataka Sales Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976, the Karnataka Tax on Luxuries Act, 1979, the Karnataka Tax on Entry of Goods Act, 1979 and the Karnataka Electricity (Taxation on Consumption) Act, 1959.

Hence the Bill.

[L.A. Bill No. 9 of 2003]

(Entries 46, 52, 53, 54, 60 and 62 of List-II of the Seventh Schedule to the Constitution of India)

XLVII

Amending Act 3 of 2004.- The Hon'ble High Court of Karnataka in S.T.R.P. numbers 46 to 57/2003 has held that tax cannot be levied on civil works like asphaltting and repairing of roads under the existing provisions of the Karnataka Sales Tax Act, 1957. However, taxes have been levied and collected on such civil works from 1st April 1986 relying on the existing entries. In view of the decision of the Hon'ble High Court, it is considered necessary to incorporate an enabling provision to levy such tax by amending the Karnataka Sales Tax Act, 1957 with retrospective effect.

Similarly, the Hon'ble High Court of Karnataka in W. P. Nos. 8607-8608/2003 has held that the tax cannot be levied on works contract of processing and supplying of photographs, photo prints and photo negatives under the existing provisions of the Karnataka Sales Tax Act, 1957. The Hon'ble High court has held that though the State Legislature has the power to levy tax on such works contracts, in view of the relevant entry having been struck down by the Hon'ble Supreme Court, in September 1999, tax cannot be levied and collected on such works contracts till the relevant entry is re-introduced in the Karnataka Sales Tax Act, 1957. Taxes have been levied and collected on such works contracts from 1st July 1989. In view of the decision of the Hon'ble Supreme Court and the High Court, it is considered necessary to amend the Karnataka Sales Tax Act, 1957 with retrospective effect.

It is also considered necessary that there should be a provision under the Karnataka Sales Tax Act, 1957 to constitute a Settlement Commission to reduce long pending disputes and recover tax arrears expeditiously.

The rate of sales tax being levied at present on Camphor is 5%. Whereas the Empowered Committee of State Finance Ministers has appealed to all the States / UTs to adopt the floor rates on all items. Hence, the rate of sales tax on Camphor is being increased to the floor rate of 8% by amending the Karnataka Sales Tax Act, 1957.

It is also considered necessary to amend the Karnataka Tax on Luxuries Act, 1979, to give tax relief to clubs situated within areas outside municipal corporations and to give tax relief to senior citizens and members of a youth club registered or recognised by the Department of Youth Services.

It is also considered necessary to omit the provisions under the Karnataka Entertainments Tax Act, 1958 relating to collection of service charges by the owners of theatres.

Hence the Bill.

[L.A. BILL No. 6 OF 2004]

XLVIII

Amending Act 26 of 2004.- To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Mysore Betting Tax Act, 1932(Mysore Act IX of 1932), the Karnataka Sales Tax Act, 1957(Karnataka Act 25 of 1957), the Karnataka Entertainments Tax Act, 1958(Karnataka Act 30 of 1958), the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976(Karnataka Act 35 of 1976), the Karnataka Tax on Luxuries Act, 1979) and the Karnataka Tax on Entry of Goods Act, 1979(Karnataka Act 27 of 1979).

Opportunity is also taken to rationalize certain provisions of the said Acts and also to codify and make certain consequential amendments to implement reliefs already announced.

Hence the Bill.

[L.A. BILL No. 18 OF 2004]

XLIX

Amending Act 11 of 2005.- To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), the Karnataka Sales Tax Act, 1957(Karnataka Act 25 of 1957), the Karnataka Entertainments Tax Act, 1958(Karnataka Act 30 of 1958), the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976(Karnataka Act 35 of 1976), the Karnataka Tax on Entry of Goods Act, 1979(Karnataka Act 27 of 1979), the Karnataka Tax on Lotteries Act, 2004 (Karnataka Act 3 of 2004), the Karnataka Special Tax on Entry of Certain Goods Act, 2004 (Karnataka Act 29 of 2004) and the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004).

Opportunity is also taken to rationalize certain provisions of the said Acts.

Hence the Bill.

(LA Bill No. 12 of 2005)

L

Amending Act 25 of 2005.- To give effect to the decision taken to re-introduce the provision of collection of tax free service charges by the cinema theatre owners for maintenance of the theatres as requested by the film industry.

Hence the Bill.

(LA Bill No. 23 of 2005)

* * * *

¹[KARNATAKA ACT]¹ No. 30 OF 1958.

(First published in the ¹[Karnataka Gazette]¹ on the First day of January, 1959.)

THE ¹[KARNATAKA]¹ ENTERTAINMENTS TAX ACT, 1958.

(Received the assent of the Governor on the Nineteenth day of December, 1958.)

(As Amended by Acts 14 of 1966, 31 of 1969, 14 of 1971, 4 of 1973, 15 of 1974, 36 of 1976, 16 of 1977, 3, 21 and 25 of 1979, 14 and 26 of 1980, 5 of 1981, 13 of 1982, 2 and 9 of 1983, 9 of 1984, 3 and 22 of 1985, 3, 15, 17 and 31 of 1987, 2 and 17 of 1988, 20 of 1989, 7 of 1990, 6 of 1992, 5 and 11 of 1993, 18 and 25 of 1994, 6 of 1995, 5 and 15 of 1996, 7 and 18 of 1997, 3 and 20 of 1998, 4 of 1999, 5 of 2000, 26 of 2000, 5 of 2001, 5 of 2002, 7 of 2003, 3 of 2004, 26 of 2004, 11 of 2005 and 25 of 2005).

An Act to consolidate and amend the laws relating to the levy of tax on entertainments in the ¹[State of Karnataka]¹.

WHEREAS it is expedient to consolidate and amend the laws relating to the levy of tax on entertainments in the ¹[State of Karnataka]¹;

BE it enacted by the ¹[Karnataka State]¹ Legislature in the Ninth year of the Republic of India as follows:—

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

1. Short title, extent and commencement.— (1) This Act may be called the ¹[Karnataka]¹ Entertainments Tax Act, 1958.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

(2) It extends to the whole of the ¹[State of Karnataka]¹.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

(3) Section 19 shall come into force at once in the whole of the ¹[State of Karnataka]¹ and the rest of this Act shall come into force at once in the areas of the State in which any of the enactments repealed by section 19, was in force. All the provisions of this Act (except section 19) shall come into force in such other area or areas of the State from such ²[date]² or dates as the State Government may by notification specify.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

2. Act came into force in all other areas of the State on 1.1.1959 by notification. Text of the notification is at the end of the Act.

2. Definitions.- In this Act, unless the context otherwise requires,—

(a) “admission” includes admission as a spectator or as one of an audience, and admission for the purpose of amusement by taking part in an entertainment;

(b) “admission to an entertainment” includes admission to any place in which an entertainment is held;

¹[(ba) “Amusement” means any amusement for which persons are required to make payment for admission to any amusement arcade or amusement park or theme park or by whatever name called.]¹

1. Inserted by Act 5 of 2002 w.e.f 01.04.2002.

¹²[(bb)]² “antennae” means an apparatus which receives television signals that enables viewers to tune into transmission including national or international satellite transmission or moving pictures or series of pictures, by means of transmission of television signals by wire where subscriber’s television sets at the residential or non-residential places are linked by metallic co-axial or optic fibre cable to a Central System, called headend;]¹

1. Inserted by Act 11 of 1993 w.e.f 01.04.1993.

2. Renumberd by Act 5 of 2002 w.e.f 01.04.2002.

¹[(c) ²[Deputy Commissioner]² means a ²[Deputy Commissioner]² of Commercial Taxes appointed under the Karnataka Sales Tax Act, 1957;]¹

1. Substituted by Act 3 of 1985 w.e.f 10.01.1985

2.. Substituted by Act 5 of 1993 w.e.f 9.11.1992.

¹[(ca) “cable television” means a system organised for exhibition of films or moving pictures or series of pictures by means of transmission of television signals by wire where subscriber’s television set is linked by metallic co-axial cable or optic fibre cable to a central system called the ‘headend’ and, by using a video cassette or disc or both, recorder or player or similar such apparatus on which pre-recorded video cassettes or disc or both are played or replayed and the films or moving pictures or series of pictures which are viewed and heard on Television receiving set at a residential or a non-residential place of a connection holder;]¹

1. Inserted by Act 11 of 1993 w.e.f 01.04.1993.

¹[²[(cb)]² 'cinema theatre' means any place of entertainment in which cinematograph shows are held to which persons are admitted for payment;]¹

1. Inserted by Act 16 of 1977 w.e.f 01.04.1979 by notification. Text of the notification is at the end of the Act.

2. Clauses (ca) and (cb) relettered as (cb) and (cc) by Act 11 of 1993 w.e.f. 01.04.1993.

¹[²[(cc)]² "Commissioner" means the Commissioner of Commercial Taxes appointed under the Karnataka Sales Tax Act, 1957;]¹

1. Inserted by Act 3 of 1985 w.e.f 10.01.1985.

2. Clauses (ca) and (cb) relettered as (cb) and (cc) by Act 11 of 1993 w.e.f. 01.04.1993.

(d) "complimentary ticket" means a ticket or pass for admission to an entertainment free of any payment or at a reduced rate of payment for such admission;

¹[(da) 'distributor' means any person who is engaged in selling, supplying or distributing or making available on rental or hire basis, feature films, for exhibition of cinematograph show whether for cash or for deferred payment, or for rental or hire charges or for payment in any ratio or in any proportion to the total payment for admission to cinematograph shows either in respect of individual cinematograph shows or in respect of such shows conducted in a day or a week or for any period, or for other valuable consideration.]¹

1. Inserted by Act 7 of 1997 w.e.f 01.04.1997.

¹[(e) 'Entertainment' with all its grammatical variations and cognate expressions means,—

(i) a horse race ⁴[or live telecast of a horse race]⁴ to which persons are admitted on payment;

(ii) Cinematograph show including video shows to which persons are admitted on payment or exhibition of films or moving pictures which are viewed and heard on the television receiving set, with the aid of any type of antennae with the cable network attached to it or cable television for which persons are required to make payment by way of contribution or subscription or installation and connection charges or any other charges collected in any manner whatsoever;

(iii) any amusement ²[or recreation or any entertainment provided by a multi system operator]² or exhibition or performance or pageant or a ³[x x x]³

game or sport whether held indoor or outdoor to which persons are admitted on payment;]¹

1. Substituted by Act 7 of 1997 w.e.f 01.04.1997.

2. Inserted by Act 5 of 2002 w.e.f 01.04.2002.

3. Omitted by Act 3 of 1998 w.e.f 01.04.1998.

4. Inserted by Act 26 of 2004 w.e.f 01.08.2004.

¹**[Explanation.-** Recognised game or sport shall mean Cricket, Hockey, Foot Ball, Basket Ball, Tennis, Golf, ²[x x x]² Volley-Ball, Badminton, Kabbadi, Swimming, Athletics, Base-Ball, Weight Lifting, and any other sport or game the Government may notify.]¹

1. Inserted by Act 4 of 1999 w.e.f. 01.04.1997.

2. Omitted by Act 5 of 2002 w.e.f 01.04.2002.

¹[(e1) x x x]¹

1. Inserted by Act 9 of 1983 w.e.f. 01.04.1983 and Omitted by Act 9 of 1984 w.e.f 01.04.1984.

(f) “institution” includes a company, society, club or other association of persons by whatever name called;

¹[(fa) “²[Additional Commissioner]²” means the ²[Additional Commissioner]² of Commercial Taxes appointed under the Karnataka Sales Tax Act, 1957.]¹

1. Inserted by Act 3 of 1985 w.e.f. 10.01.1985.

2. Substituted by Act 5 of 1993 w.e.f 9.11.1992.

¹[(fb) “Joint Commissioner” means the Joint Commissioner of Commercial Taxes appointed under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957);]¹

1. Sbstituted by Act 7 of 1997 w.e.f. 01.04.1997.

¹[(g) ‘local authority’ means a municipal corporation a city municipal council, a town municipal council, a cantonment board, a town board, a sanitary board, a notified area committee, ²[a ³[Grama panchayat]³]², as the case may be;]¹

1. Sbstituted by Act 14 of 1966 w.e.f. 16.05.1966 by notification Text of the notification is at the end of the Act.

2.. Sbstituted by Act 31 of 1987 w.e.f. 01.04.1987.

3. Sbstituted by Act 18 of 1994 w.e.f. 01.04.1994.

¹[(gg) " Multi System Operator `` means person engaged in the business of receiving and distributing satellite television signals, communication network, including production and transmission of programmes and packages.``]¹

1. Inserted by Act 5 of 2002 w.e.f. 01.04.2002.

(h) "notification" means a notification published in the Official Gazette;

(i) "payment for admission" includes,—

(i) any payment made by a person who having been admitted to one part of a place of entertainment is subsequently admitted to another part thereof, for admission to which a payment involving a tax or a higher tax is required;

(ii) any payment for seats or other accommodation in a place of entertainment;

¹[(iii) any payment made for the loan or use of any instrument or contrivance which enables a person to get a normal or better view or hearing of the entertainment which, without the aid of such instrument or contrivance, such person would not get;

(iv) any payment for any purpose whatsoever connected with an entertainment which a person is required to make as a condition of attending or continuing to attend the entertainment in addition to the payment, if any, for admission to the entertainment;

¹[(iv-a) any payment for any purpose whatsoever connected with an entertainment including sponsorship fee and advertisement charges, which is paid to the proprietor or any person connected with conducting or organising such entertainment, ²[with a view to promoted goodwill, brand name or any business interest directly or indirectly which enables entry of any person in to the entertainment]²]¹;

1. Inserted by Act 5 of 2001 w.e.f. 01.04.2001.

2. Substituted by Act 5 of 2002 w.e.f. 01.04.2002.

(v) any payment for admission of a motor vehicle into the auditorium of a cinema known as drive-in-theatre.]¹

1. Sub clauses (iii) to (v) inserted by Act 3 of 1985 w.e.f. 10.01.1985.

¹[**Explanation.-** "Payment for admission" shall not include any sponsorship fee or advertisement charges paid to the proprietor or any person connected with or conducting or organising any event of sport]¹

1. Substituted by Act 3 of 2004 w.e.f. 29.01.2004.

¹[(ia) "population" means the population as ascertained at the last preceding census of which the relevant figures are published;]¹

1. Inserted by Act 16 of 1977 w.e.f 01.04.1979.

¹[(ib) "place of entertainment"]³ means the place where an entertainment is held and includes the booking office ²[and any place from where the entertainment is provided by means of cable connection from any type of antennae with a cable net work attached to it or cable television]² and such other place where the accounts and other documents connected with the entertainment are kept.]¹

1. Inserted by Act 3 of 1985 w.e.f 10.01.1985.

2. Inserted by Act 11 of 1993 w.e.f 01.04.1993.

3. Substituted by Act 3 of 1998 w.e.f 01.04.1998

(j) "prescribed" means prescribed by rules made under the Act;

¹[(k) 'proprietor' in relation to any entertainment other than an entertainment referred to in sub-clause (iii) of clause (e) includes any person responsible for the management thereof and in relation to any entertainment referred to in sub-clause (iii) of clause (e) includes any person conducting, organising, sponsoring or patronising any such entertainment.]¹

1.Substituted by Act 7 of 1997 w.e.f 01.04.1997.

¹[(l) " Recreation Parlour " means any place where a game such as bowling, billiards, snooker or the like by whatever name called is provided, for which persons are required to make payment for admission or participation.]¹

1. Inserted by Act 5 of 2002 w.e.f 01.04.2002.

¹[2A. Instructions to subordinate authorities.- ¹[(1)]¹ The State Government or the Commissioner, may from time to time issue such orders, instructions and directions to all officers and persons employed in the execution of this Act, as they may deem fit, for the administration of this Act, and all such officers and persons shall observe and follow such orders, instructions and directions of the State Government or the Commissioner:

1. Renumberd by Act 7 of 1997 w.e.f 01.04.1997.

¹[(2) All officers and persons employed in implementation of this Act shall observe and follow such administrative instructions as may be issued to them for their guidance by the Joint Commissioner within whose jurisdiction they perform their functions.]¹

1. Inserted by Act 7 of 1997w.e.f 01.04.1997.

Provided that no such orders, instructions or directions shall be issued so as to interfere with the discretion of any Appellate Authority in the exercise of its appellate functions.

2B. Power to issue directions regarding jurisdiction.- The Commissioner may by general or special order in writing direct that the powers conferred on an Entertainments Tax Officer of an area by or under this Act, shall, in respect of any specified place of entertainment in such area be exercised by the Entertainments Tax Officer of any other area whereupon the Entertainments Tax Officer of such other area may exercise and perform the same powers and functions in respect of such place of entertainment as the former officer.]¹

1. Sections 2A and 2B inserted by Act 20 of 1989 w.e.f 17.04.1989.

¹**[3. Tax on payment for admission to entertainments.-** ²[(1) There shall be levied and paid to the State Government entertainments tax on each payment for admission excluding the amount of tax, to an entertainment,-

(a) specified in sub-clause (i) of clause (e) of Section 2 at 70 per cent of such payment; and

(b) specified in sub-clause (ii) of clause (e) of Section 2 at 40 per cent of such payment.]²

³[Table x x x]³

1. Substituted by Act 14 of 1966 w.e.f 16.05.1966.

2. Sub-section (1) substituted by Act 26 of 2004 w.e.f 1.8.2004.

¹[Proviso x x x]¹

1. Inserted by Act 21 of 1979 and omitted by Act 5 of 1981 w.e.f 04.04.1981.

¹[Provisos x x x]¹

1. Inserted by Act 9 of 1983 and omitted by Act 9 of 1984 w.e.f 01.04.1984.

¹[(1-A) In respect of entertainments referred to in sub-clause (iii) of clause (e) of section 2, ²[other than an entertainment on which tax is levied under section 4-E or 4-F]², there shall be levied and paid to the State Government on each payment for admission to such entertainment, entertainments tax at the following rates, namely:—

³[TABLE

Sl. No.	Payment for admission (excluding the Amount of tax)	Rate of tax
1	Fifty rupees or more in respect of an entertainment in respect of an entertainment which is an exhibition, performance or pageant or game or sport held within the limits of Bangalore Urban Agglomeration area or a City Municipal Corporation.	10 per cent of such payment
2	Two hundred and fifty rupees or more in respect of an entertainment in respect of an entertainment which is an exhibition, performance or pageant or game or sport held outside the limits of Bangalore Urban Agglomeration area or a City Municipal Corporation.	10 per cent of such payment] ³

⁴[Provided that no tax shall be levied in the case of admission to a circus.]⁴

1. Inserted by Act 21 of 1979 and Omitted by Act 26 of 1980 w.e.f. 11.8.1980 and again Inserted by Act 7 of 1997 w.e.f. 01.04.1997.

2. Inserted by Act 7 of 2003 w.e.f. 01.04.2002.

3. Substituted by Act 26 of 2004 w.e.f. 01.08. 2004.

4. Inserted by Act 11 of 2005 w.e.f. 1.4.2005.

(2) Notwithstanding anything contained in sub-section (1), ¹[and sub-section (1-A)]¹ ²[x x x]² there shall be levied and paid to the State Government (except as otherwise expressly provided in this Act) on every complimentary ticket issued by the proprietor of an entertainment, the entertainments tax at the appropriate rate specified in sub-section (1) ¹[and sub-section (1-A)]¹ ²[x x x]² in respect of such entertainment, as if full payment had been made for admission to the entertainment according to the class of seat or accommodation which the holder of such ticket is entitled to occupy or use; and for the purposes of this Act, the holder of such ticket shall be deemed to have been admitted on payment.

1. Inserted by Act 5 of 2001 w.e.f. 01.04.2001.

2. . Inserted by Act 21 of 1979 w.e.f. 31.03.1979 and Omitted by Act 26 of 1980 w.e.f. 11.08.1980.

¹[Provided that where the seat or accommodation which the holder of such a ticket is entitled to occupy or use is different from the classes of seat or accommodation inside the auditorium or place of entertainment and for admission to the said seat or accommodation no payment is fixed, the

holder of such ticket shall be deemed to be entitled to occupy or use the highest class of seat or accommodation and shall for purposes of this Act, be deemed to have been admitted on payment of the charges for such highest class of seat or accommodation.]¹

1. Inserted by Act 36 of 1976 w.e.f 01.04.1976.

¹[(3) Notwithstanding anything contained in sub-section (1-A) there shall be levied and paid to the state Government on every admission made by the proprietor of an entertainment on payment as defined in sub-clause (iv-a) of clause (i) of section 2, the entertainment tax at the rate specified in sub-section (1-A) in respect of such entertainment as if full payment had been made for admission to the entertainment according to the class of seat or accommodation which the person admitted occupies or uses ; and for the purpose of this Act, the person admitted shall be deemed to have been admitted on payment.

Provided that where the admission made to an entertainment whether or not having different classes of seat or accommodation inside the place of entertainment is wholly on payment as defined in sub-clause (iv-a) of clause (i) of Section 2, the payment made to such entertainment shall be deemed to have been made by the person or persons admitted]¹]¹

1. Omitted by Act 36 of 1976 w.e.f 01.04.1976 and inserted by Act 5 of 2001 w.e.f 01.04.2001.

¹[**3-A. Additional tax on admission.-** In the case of cinematograph shows, in addition to the tax leviable under section 3, there shall be levied and paid to the State Government a tax on each payment for admission to any class at the following rates namely,-

Sl. No.	Classification of Theatres	Amount
(1)	(2)	(3)
1	Air-conditioned and Air-cooled Theatres	One rupee on each payment for admission
2	Other Theatres	Fifty paise on each payment for admission] ¹

1. Section 3A inserted by Act 14 of 1966 and omitted by Act 18 of 1997 w.e.f 20.09.1997. Again inserted by Act 7 of 2003 w.e.f 01.04.2003.

¹[3B. x x x]¹

1. Inserted by Act 36 of 1976 and omitted by Act 13 of 1982 w.e.f. 01.07.1982. Again inserted by Act 25 of 1994 w.e.f. 27.09.1994 and omitted by Act 7 of 1997 w.e.f. 1.4.1997.

¹[3C. Special provision in respect of certain films.- ³[²[(1)]² Notwithstanding anything contained in ⁴[⁶[sections 3 and 3-A]⁶ ⁵[x x x]⁵]⁴,—

1. Section 3C inserted by Act 5 of 1981, Substituted by Act 2 of 1983 w.e.f. 12.1.1983.
2. Renumbered by Act 3 of 1985 w.e.f. 10.1.1985.
3. Sub-sections (1) substituted by Act 22 of 1985 w.e.f. 1.1.1986.
4. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.
5. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.
6. Substituted by Act 7 of 2003 w.e.f. 1.4.2003.

(a) in the case of a cinematograph show of a ¹[Kannada film (other than a remake or a dubbed version of a film of other language, which has secured a Censor Certificate from the Central Board of Film Certification on or after First day of September, 1993) or a]¹ Kodava, Konkani ²[Tulu or Banjara film]² produced in the State of Karnataka the rates of entertainments tax payable shall be ³[nil]³;

1. Substituted by Act 18 of 1994 w.e.f. 1.4.1993.
2. Substituted by Act 26 of 2000 w.e.f. 14.8.2000.
3. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.

¹[Provided that in case of a Kannada Film which is remake of a film of other language, which has secured a Censor Certificate from the Central Board of Film Certification on or before 31st day of March, 2002, no tax shall be levied under ³[sections 3 and section 3-A]³ ²[xxx]²]¹

⁴[Provided further that tax at the rate of seventy-five per cent of the tax payable under ³[sections 3 and 3-A]³ shall be levied from 1st day of April, 2002 on a Kannada film which is a remake of a film of other language and which has secured a Censor Certificate from the Central Board of Film Certification.]⁴

1. Inserted by Act 5 of 2002 w.e.f. 1.4.1996.
2. Omitted by Act 7 of 2003 w.e.f. 1.4.1996.
3. Substituted by Act 7 of 2003 w.e.f. 1.4.2003.
4. Inserted by Act 5 of 2002 w.e.f. 1.4.2002.

¹[(b) in the case of a cinematograph show of a Kannada, Kodava, Konkani, or Tulu film produced outside the State of Karnataka and which has secured censor Certificate issued by the Central Board of Film Certification on or before the thirty-first day of December, 1987, the rates of entertainments tax payable shall be ²[nil]² ³[x x x]³.]¹

⁴[**Explanation.**- x x x]⁴]¹

1. Substituted by Act 2 of 1988 w.e.f. 24.11.1987.
2. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.
3. Omitted by Act 6 of 1992 w.e.f. 31.12.1991.
4. Omitted by Act 6 of 1995 w.e.f. 1.4.1995.

¹[(c) in the case of a cinematograph show of a Kannada film which is a remake of a film of any other language,—

- (i) having been remade in the State of Karnataka after a period of ten years from the date of issue of a certificate by the Central Board of Film Certification to such other language film; or
- (ii) which has secured a best feature film award granted by the Central Government or any State Government or has figured in the Indian Panorama section of International Film Festival and has been remade in the State of Karnataka;

the rate of entertainments tax payable shall be ²[nil]².]¹

1. Inserted by Act 25 of 1994 w.e.f. 27.9.1994.
2. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.

Provided that where ¹[such film has secured, after the first day of April, 1981, a best feature film award granted by the Central Government or any State Government or an Internationally recognised award notified by the State Government,]¹ no entertainments tax shall be payable for a period of one year from such date as may be specified by the State Government.]⁴

1. Substituted by Act 3 of 1985 w.e.f. 10.1.1985.

¹[(1A) Notwithstanding anything contained in sub-section (1), where a Kannada, Kodava, Konkani ²[Tulu or Banjara film]² has secured after the first day of April, 1981 a best feature film award granted by the Central or any State Government or an internationally recognised award notified by the State Government, no entertainments tax shall be payable for a period of one year from such date as may be specified by the State Government.]¹

1. Inserted by Act 22 of 1985 w.e.f. 15.2.1986 by notification. Text of the notification is at the end of the Act.
2. Substituted by Act 26 of 2000 w.e.f. 14.8.2000.

¹[(2) Notwithstanding anything contained in ²[section 3 ³[x x x]³]², in the case of a cinematograph show of a film other than a Kannada, Kodava, Konkani ⁴[Tulu or Banjara film]⁴ which has secured, after the first day of April, 1981, ⁵[a best feature film award]⁵ granted by the Central Government or any State Government or an internationally recognised award notified by the State Government, no entertainments tax shall be payable for a period of six months from such date as may be specified by the State Government.]¹

1. Inserted by Act 3 of 1985 w.e.f. 10.1.1985.
2. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.
3. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.
4. Substituted by Act 26 of 2000 w.e.f. 14.8.2000.
5. Substituted by Act 17 of 1988 w.e.f. 14.9.1988.

¹[**Explanation.-** x x x]¹

1. Substituted by Act 2 of 1983 and omitted by Act 6 of 1995 w.e.f. 27.9.1994.

¹[**Explanation.-** x x x]¹

1. Inserted by Act 7 of 1997 w.e.f. 1.4.1997 and omitted by Act 18 of 1997 w.e.f. 20.9.1997.

¹**[4. Additional Tax on cinematograph shows.-** ²[³[(1)]³ In the case of cinematograph shows, in addition to the tax leviable under ⁴[Sections 3 and 3-A]⁴ or the tax leviable under Section 4-A, there shall be levied and paid to the State Government a tax calculated at the following rates, namely:—

TABLE

Sl. No.	Payment for admission (excluding entertainment tax) of a person to the highest class of seat or accommodation	Rate of tax per show
a.	does not exceed five rupees	⁵ [Forty three rupees] ⁵
b.	exceeds five rupees but does not exceed fifteen rupees	⁵ [Fifty Five rupees] ⁵
c.	exceeds fifteen rupees but does not exceed twenty rupees	⁵ [Sixty Eight rupees] ⁵
d.	exceeds twenty rupees	⁵ [One Hundred and Eighteen rupees] ⁵

Provided that in the case of a cinematograph show of Kannada, Kodava, Konkani or Tulu film, in addition to tax leviable under ⁴[Sections 3 and 3-A]⁴

the tax payable under this sub-section shall be at the following rates, namely:—

<i>Sl. No.</i>	<i>Payment for admission (excluding entertainment tax) of a person to the highest class of seat or accommodation</i>	<i>Rate of tax per show</i>
a.	does not exceed five rupees	⁵ [Eighteen rupees] ⁵
b.	exceeds five rupees but does not exceed fifteen rupees	⁵ [Thirty rupees] ⁵
c.	exceeds fifteen rupees but does not exceed twenty rupees	⁵ [Thirty Eight rupees] ⁵
d.	exceeds twenty rupees	⁵ [Forty Eight rupees] ⁵

Provided further that in respect of cinema theatres paying tax in the manner specified in section 4-A, the tax under this section shall be paid at the following rates, namely:—

<i>Sl. No.</i>	<i>Total Payment for admission of a person to the highest class of seat or accommodation</i>	<i>Rate of tax per show</i>
a)	does not exceed eight rupees	⁵ [Forty rupees] ⁵
b)	exceeds eight rupees but does not exceed fifteen rupees	⁵ [Forty Five rupees] ⁵
c)	exceeds fifteen rupees	⁵ [Fifty rupees] ⁵

Provided also that in respect of cinema theatres paying tax in the manner specified in section 4-A, the tax payable under this sub-section in respect of cinematograph show of a Kannada, Kodava, Konkani or Tulu film shall be at the following rates, namely:—

<i>Sl. No.</i>	<i>Total Payment for admission of a person to the highest class of seat or accommodation</i>	<i>Rate of tax per show</i>
a)	does not exceed eight rupees	⁵ [Thirteen rupees] ⁵
b)	exceeds eight rupees but does not exceed fifteen rupees	⁵ [Twenty Five rupees] ⁵
c)	exceeds fifteen rupees	⁵ [Thirty Eight rupees] ²

1. Substituted by Act 13 of 1982 w.e.f. 1.7.1982.

2. Substituted by Act 20 of 1998 w.e.f. 1.4.1998.

3. Renumbered by Act 22 of 1985 w.e.f. 15.2.1986.

4. Substituted by Act 7 of 2003 w.e.f. 1.4.2003.

5. Substituted by Act 26 of 2004 w.e.f. 19.6.2003 and again Substituted by Act 11 of 2005 w.e.f. 1.4.2005.

¹[(2) No proprietor of a cinema theatre shall collect or cause to be collected the tax payable under sub-section (1) from the persons admitted to the cinema theatre for the entertainment.]¹

1. Inserted by Act 22 of 1985 w.e.f. 15.2.1986.

¹[(3) Notwithstanding anything contained in sub-section (1), no show tax shall be payable in respect of a cinematograph show of a Kannada, Kodava, Konkani or Tulu film screened in theatres situated within the limits of any local authority ²[(but excluding a cantonment board)]² ³[or town or village]³ having a population not exceeding fifteen thousand.]¹

1. Inserted by Act 2 of 1988 w.e.f. 12.9.1987.

2. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

3. Inserted by Act 7 of 1990 w.e.f. 1.4.1987.

¹**[4A. Tax on cinematograph shows in certain places.-** (1) In lieu of entertainment tax ²[x x x]² payable under sub-section (1) of ⁴[Sections 3 and 3-A]⁴ ²[x x x]², in the case of cinematograph shows held in cinema theatres situated within the limits of a local authority ³[(but excluding a cantonment board)]³ whose population does not exceed seventy five thousand specified in column (2) of the table below, the proprietor may, at his option and subject to such conditions, as may be prescribed, pay the amount of tax as specified in column (3) thereof,—

1. Inserted by Act 16 of 1977 and substituted by Act 7 of 1997 w.e.f. 1.4.1997.

2. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.

3. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.

4. Substituted by Act 7 of 2003 w.e.f. 1.4.2003.

¹**[TABLE**

Sl. No.	Local authority population of which	Rate of tax
1	2	3
(a)	does not exceed twenty-five thousand	² [Five per cent] ² of the gross collection capacity.
(b)	exceeds twenty-five thousand but does not exceed fifty thousand	² [Ten per cent] ² of the gross collection capacity.
(c)	exceeds fifty thousand but does not exceed seventy five thousand	² [Fifteen per cent] ² of the gross collection capacity.] ¹

1. Substituted by Act 18 of 1997 w.e.f. 20.9.1997.

2. Substituted by Act 11 of 2005 w.e.f. 1.4.2005.

Explanation.- For the purpose of this section, gross collection capacity shall mean the notional aggregate of all payments for admission the proprietor would realise per show if all the seats or accommodation as determined by the licensing authority under the Karnataka Cinemas (Regulation) Act, 1964, in respect of the place of entertainment are occupied and collected at the maximum rate of payment for admission for each class as determined in this behalf by the prescribed authority:

Provided that in the case of cinematograph show of a Kannada, Kodava, Konkani or Tulu Film which has secured after the first day of April, 1981, a best feature film award granted by the Central Government or any State Government or an internationally recognised award notified by the State Government, no tax shall be payable under this sub-section, for a period of one year from such date as may be specified by the State Government:

Provided further that in the case of cinematograph show of a film other than Kannada, Kodava, Konkani or Tulu Film which has secured after the first day of April, 1981, a best feature film award granted by the Central Government or any State Government or an internationally recognised award notified by the State Government, no tax shall be payable under this sub-section, for a period of six months from such date as may be specified by the State Government:

Provided also that,—

(i) in the case of a cinematograph show of a Kannada film which is not a remake of film of other language or a dubbed version of a film of other language or a Kodava, Konkani or Tulu film produced in the State of Karnataka, the rates of entertainments tax payable shall be nil.

(ii) in the case of a cinematograph show of a Kannada, Kodava, Konkani or Tulu film produced outside the State of Karnataka and which has secured a Censor Certificate issued by the Central Board of Film Certification on or before the thirty-first day of December, 1987, the rates of entertainments tax payable shall be nil:

Provided also that, in case of a cinematograph show of a Kannada film which is a remake of a film of any other language,—

(i) having been remade in the State of Karnataka after a period of ten years from the date of issue of a certificate by the Central Board of Film Certification to such other language film; or

- (ii) which has secured a best feature film award, granted by the Central Government or any State Government or has figured in the Indian Panorama of International Films Festival and has been remade in the State of Karnataka:

the rate of entertainments tax payable shall be nil.

(2) After the determination of the gross collection capacity of a cinema theatre, no change or modification either in the number of seats or accommodation or in the rates of payment for admission to such theatre shall be made, unless the proprietor has given fifteen days notice thereof to the prescribed authority and, until the gross collection capacity is redetermined, the proprietor shall pay the tax as previously fixed.

(3) No proprietor of a cinema theatre to which sub-section (1) is applicable, shall collect or cause to be collected any amount either by way of tax or otherwise in excess of the payment for admission taken into consideration for calculating the gross collection capacity of such theatre.

(4) (a) Notwithstanding anything in this section, where a cinematograph film is allowed exemption from payment of tax under sub-section (1), the rates of payment for admission shall be reduced in respect of each admission to the extent of the tax exempted in respect of such payment. Where a proprietor does not reduce the rates of payment for admission, he shall, in addition to any other penalty under this Act, be liable to pay tax as if no exemption from the payment of tax was made under sub-section (1).

(b) Notwithstanding the reduction in the rates of payment of admission under clause (a), the gross collection capacity for the purpose of payment of tax under sub-section (1) shall remain unaltered.

(5) It shall be presumed that the proprietor of an entertainment has conducted all the shows permitted to be conducted by him under the Karnataka Cinemas (Regulation) Act, 1964, unless he produces along with his return, a certificate in the prescribed form, obtained from the prescribed authority that any such show has not been conducted, and for this purpose the prescribed authority shall issue the certificate, after such enquiry as it deems fit, within ten days from the date of receipt of the application in this behalf.

(6) The option permitted under this section shall continue to be in force till the end of the financial year in which such option is permitted.]¹

¹**[4-AA. Collection of Service Charges.-** Every proprietor of a cinema theatre paying tax on cinematograph show under Section 3-A or 4-A, subject to such rules as may be prescribed, may collect as service charges, an amount not exceeding the amount specified in the table below, on each payment for admission to any class, namely:-

TABLE

Sl. No.	Classification of Theatres	Amount
1	2	3
(a)	Air-conditioned and Air-cooled Theatres	Upto a maximum of one rupee and fifty paise on each payment for admission.
(b)	Other Theatres but excluding Touring Talkies	Upto a maximum of one rupee on each payment for admission.

Provided that the collection of amount under this section by the proprietor of any theatre existing on the date of coming into force of this Section, shall be in addition to the payment for admission prevalent immediately before such commencement.]¹

1. Section 4AA inserted by Act 25 of 2005 w.e.f. 24.8.2005.

¹**[4B. Special provision in respect of video shows.-** (1) In lieu of the tax payable under ⁴[sections 3 and 3-A]⁴, ²[x x x]² ³[or 4]³, subject to such rules as may be prescribed, in the case of video shows, there shall be levied and paid entertainments tax ⁵[at the following rates:

1	2	3
(i)	Within the limits of City Municipal Corporations constituted under the Karnataka Municipal Corporations Act, 1976 and Cantonment Boards	Rs.15,000/- per month

(ii)	Within the limits of All Municipal Councils constituted under the Karnataka Municipalities Act, 1964	Rs.7,500/- per month
(iii)	Places other than (i) and (ii) above	Rs.5,000/- per month] ⁵

Provided that if the proprietor conducting the video shows has conducted no show on any day or days during a month, proportionate amount of tax paid in respect of such day or days shall be refunded to him:

Provided further that it shall be presumed that the proprietor conducting video shows has conducted shows on all the days of a month unless he produces a certificate in the prescribed form, from the prescribed authority that no show was conducted on any day or days, and for this purpose, the prescribed authority shall issue the certificate, after such enquiry as deemed fit within ten days from the date of receipt of the application in this behalf.]¹

1. Inserted by Act 3 of 1985 and substituted by Act 7 of 1990 w.e.f. 1.4.1990.

2. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.

3. Substituted by Act 25 of 1994 w.e.f. 27.9.1994.

4. Substituted by Act 7 of 2003 w.e.f. 1.4.2003.

5. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

¹[4C. Special provision in respect of certain entertainments.-

Notwithstanding anything contained in ⁴[sections 3 and 3-A]⁴, ²[x x x]², 4, ³[x x x]³ or 4-B and subject to such rules as may be prescribed, there shall be levied and paid entertainments tax at the following rates in the case of entertainment provided with the aid of antennae or cable television to a connection holder on payment of any contribution or subscription or installation and connection charges or any other charges collected in any manner whatsoever namely:—

- | | | |
|-----|--|--|
| i) | Providing entertainment through antennae and cable Television or antennae. | Twenty Rupees per month per connection. |
| ii) | Providing entertainment through cable Television exclusively. | Fifteen Rupees per month per connection. |

Provided that no tax shall be payable under this section, if the period of connection provided to a connection holder in any month is less than fifteen days.]¹

1. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.

2. Omitted by Act 8 of 1997 w.e.f. 20.9.1997.

3. Omitted by Act 25 of 1994 w.e.f. 27.9.1994.

4. Substituted by Act 7 of 2003 w.e.f. 1.4.2003.

¹**4D. Composition of tax payable under section 4C.-** In lieu of the tax payable under section 4C the proprietor may, at his option and subject to such condition and in such manner as may be prescribed pay a tax with respect to the entertainment provided at the places specified in column (2) of the table below at the rates specified in column (3) thereof.

TABLE

Sl.No.	Places	Amount of tax
(1)	(2)	(3)
1.	Bangalore City Municipal Corporation	³ [Rupees Six thousand Five hundred per month.] ³
2.	City Municipal Corporations (other than Bangalore City Municipal Corporation); and Cantonment Board	³ [Rupees Three thousand per month.] ³
3.	Places other than those at Sl.No. (1) & (2); City, Town or village;	
(a)	population of which is more than 25,000	² [Rupees one thousand five hundred per month.] ²
(b)	population is less than 25,000	² [Rupees six hundred per month.] ² ¹

1. Section 4D inserted by Act 6 of 1995 w.e.f. 1.4.1995.

2. Substituted by Act 5 of 2001 w.e.f. 1.4.2001.

3. Substituted by Act 5 of 2001 and again substituted by Act 7 of 2003 w.e.f. 1.4.2003. Again Substituted by Act 26 of 2004 w.e.f. 19.06.2003

¹**4E. Tax on amusement-** There shall be levied and collected a tax calculated at the rate of twenty per cent on each payment for admission to ²[or participation in]² an amusement. The tax so levied shall be paid by the proprietor.

³[Provided that no tax shall be levied where the payment for admission excluding the amount of tax, ⁴[is less than, fifty rupees in respect of any amusement in the limits of Bangalore Urban Agglomeration or a City Municipal Corporation and two hundred and fifty rupees in respect of any amusement in other areas]⁴³

1. Sections 4E, 4F and 4G inserted by Act 5 of 2002 w.e.f. 1.4.2002.

2. Inserted by Act 7 of 2003 w.e.f. 1.4.2002.

3. Inserted by Act 7 of 2003 w.e.f. 1.10.1957.

4. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

4F. Tax on recreation parlours- There shall be levied and collected a tax calculated at the rate of twenty per cent on each payment for admission

to ¹[or participation in]¹ recreation parlour. The tax so levied shall be paid by the proprietor.

²[Provided that no tax shall be levied where the payment for admission excluding the amount of tax, ³[is less than, fifty rupees in respect of any amusement in the limits of Bangalore Urban Agglomeration or a City Municipal Corporation and two hundred and fifty rupees in respect of any amusement in other areas]³]²

1. Inserted by Act 7 of 2003 w.e.f. 1.10.1957.

2. Inserted by Act 7 of 2003 w.e.f. 1.4.2003.

3. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

4G. Tax on Multi System Operator- Notwithstanding anything contained in sections 4C and 4D, there shall be levied and collected a tax at the rate of ten percent on the amounts received by a Multi System Operator towards distributing satellite television signals, communication network, including production and transmission of programmes and packages.]¹

¹[5. Admission to entertainments.- Save as otherwise provided in this Act, no person other than a person who has to perform any duty in connection with an entertainment or any duty imposed upon him by or under this Act or any other law shall be admitted to an entertainment unless the proprietor has with the previous approval of the State Government, made arrangements for furnishing returns of the payments for admission to the entertainment, given such security for the payment of the entertainments tax, and in such manner, as may be specified by the State Government:

Provided that with the previous approval of the State Government, persons may be admitted for payment to an entertainment or a series of entertainments through a barrier or by means of a mechanical contrivance which automatically registers the number of persons admitted.])¹

1. Inserted by Act 6 of 1995 w.e.f. 1.4.1995.

6. Manner of payment of tax.- ¹[(1) ²[Save as otherwise provided in ³[sections ⁴[x x x]⁵ 4A]⁴ or 4B]³]²The entertainments tax shall be levied in respect of each ³[payment for admission or each admission]³ on a complimentary ticket ⁶[or pass or invitation]⁶ and shall be calculated and paid on the number of admissions.

Explanation.- At any time during an entertainment any person or persons found inside the auditorium or place of entertainment without a valid ticket or complimentary ticket ⁶[or pass or invitation]⁶ shall be deemed to have been admitted by the proprietor for payment.

(2) The entertainments tax shall be due and be recoverable from the proprietor.]¹

1. Sub-sections (1) and (2) Substituted by Act 14 of 1966 w.e.f. 16.5.1966.
2. Inserted by Act 16 of 1977 w.e.f. 1.4.1979.
3. Substituted by Act 3 of 1985 w.e.f. 10.1.1985.
4. Substituted by Act 25 of 1994 w.e.f. 27.9.1994.
5. Omitted by Act 7 of 1997 w.e.f. 1.4.1997.
6. Inserted by Act 5 of 2001 w.e.f. 1.4.2001

¹[(3) Where the payment for admission to an entertainment is made wholly or partly by means of a lumpsum paid as a subscription or contribution or sponsorship fee or advertisement charges or by whatever name called to any institution or any other person, for a season ticket or for the right of admission to a series of entertainments or to any entertainment during a certain period of time, the entertainments tax shall be paid on the amount of the lumpsum, but where the Commissioner is of opinion that the payment of a lumpsum or any payment for a ticket represents payment for other privileges, rights or purposes besides the admission to an entertainment, or covers admission to an entertainment during any period during which tax has not been in operation, the tax shall be levied on such an amount as appears to the Commissioner to represent the right of admission to entertainments in respect of which the entertainments tax is payable.]¹

²[Proviso x x x]²

1. Substituted by Act 5 of 2001 w.e.f. 1.4.2001.
2. Inserted by Act 9 of 1983 w.e.f. 1.4.1983 and omitted by Act 9 of 1984 w.e.f. 1.4.1984.

¹**6A. Returns.-** (1) Every proprietor of an entertainment shall submit such returns relating to complimentary tickets and to payments for admissions, to such authority, in such manner and within such periods, as may be prescribed:

²[Provided that in respect of an entertainment which is a single event or which is held for a duration less than a week, the proprietor shall submit such return, as may be prescribed, forthwith upon conclusion of such entertainment.]²

1. Sections 6A and 6B inserted by Act 14 of 1966 w.e.f. 16.5.1966.

2. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.

¹[(1A) Before any proprietor submits the returns required by sub-section (1), he shall, in the prescribed manner, pay into a Government Treasury the full amount of tax, ²[x x x]² and additional tax or other taxes, if any, payable by him on the basis of such returns and shall along with the return furnish a receipt from the Treasury evidencing such payment.]¹

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976

2. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.

¹[(2) If the prescribed authority is satisfied that any return submitted under sub-section (1) is correct and complete and that the tax under the provisions of this Act due thereon is paid in full, it shall assess the proprietor on the basis thereof.]¹

1. Substituted by Act 36 of 1976 w.e.f. 1.4.1976

(3) If no return is submitted by the proprietor of the entertainment under sub-section (1) before the date prescribed or if the return submitted by him appears to the prescribed authority to be incorrect or incomplete, the prescribed authority shall, after making such enquiry as it considers necessary, determine the tax due under ¹[²sections 3, 3A, ³[x x x]³ ⁴[4, 4A, 4B, ⁵[4C]⁴ ⁶[4D, 4E, 4F and 4G]⁶]⁵]¹, and assess the proprietor to the best of its judgment:

1. Substituted by Act 36 of 1976 w.e.f. 1.4.1976.

2. Substituted by Act 25 of 1994 w.e.f. 27.9.1994.

3. Omitted by Act 7 of 1997 w.e.f. 1.4.1997.

4. Substituted by Act 7 of 1997 w.e.f. 27.9.1994.

5. Substituted by Act 7 of 1997 w.e.f. 1.4.1995.

6. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

Provided that before taking action under this sub-section, the proprietor shall be given a reasonable opportunity of proving the correctness and completeness of any return submitted by him or that no return was due from him.

¹[(4) In making an assessment under sub-section (3), if the prescribed authority is satisfied that the correct amount of tax payable under sub-section (1-A) was not paid by the proprietor either due to willful mis-statement or suppression of facts, it may direct the proprietor to pay, in addition to the tax assessed, a penalty,-

- (i) equal to the amount of difference between the tax assessed and the tax paid under sub-section (1-A), where such assessment is made for the first time in any financial year; and

- (ii) equal to double the amount of difference between the tax assessed and the tax paid under sub-section (1-A), while making any subsequent assessment during such financial year.]¹

1. Inserted by Act 16 of 1977 w.e.f. 1.4.1979 and Substituted by Act 11 of 2005 w.e.f. 1.4.2005.

6B. Payment for admission, etc., escaping assessment.- (1) Where, for any reason,—

- (i) any complimentary ticket or any payment for admission to any entertainment has escaped assessment to tax under section 3 or section 3-A ¹[x x x]¹ ²[or section 3B]², ³[section 4A or section 4B or section 4C]³ ⁴[section 4D, section 4E and section 4F]⁴; or

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976 and Omitted by Act 13 of 1982 w.e.f. 1.7.1982.

2. Inserted by Act 25 of 1994 w.e.f. 27.9.1994.

3. Inserted by Act 7 of 1997 w.e.f. 27.9.1994.

4. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

- (ii) any cinematograph show has escaped assessment to tax under ¹[section 4 or section 4A]¹, ²[section 4B or section 4C]² ³[and section 4D]³; or

1. Substituted by Act 16 of 1977 w.e.f. 1.4.1979.

2. Inserted by Act 7 of 1997 w.e.f. 27.9.1994.

3. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

- ¹[(iia) any tax payable under section 4G has escaped assessment to tax]¹;

1. Inserted by Act 5 of 2002 w.e.f. 1.4.2002.

- (iii) such ticket, payment or show has been assessed at a rate lower than the rate at which it is assessable under section 3 or section 3-A ¹[x x x]¹ ²[or section 3B]² or ⁵[section 4 or section 4A]⁵ ³[section 4B or section 4C]³ ⁴[or section 4D or section 4E or section 4F or section 4G]⁴,

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976 and Omitted by Act 13 of 1982 w.e.f. 1.7.1982.

2. Inserted by Act 25 of 1994 w.e.f. 27.9.1994.

3. Inserted by Act 7 of 1997 w.e.f. 27.9.1994.

4. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

the authority prescribed under sub-section (1) of section 6A may, subject to the provisions of sub-section (2) and at any time within such period as may

be prescribed, ⁵[assess or re-assess, to the best of its judgment, the tax due on such ticket, payment or show under section 3 or section 3A ¹[x x x]¹ ²[or section 3B]² or section 4 or section 4A]⁵ ³[or section 4B or section 4C]³ or section 4D ⁴[or section 4E or section 4F or section 4G]⁴, as the case may be, after service of notice on the proprietor and after making such enquiry as it may consider necessary.

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976 and Omitted by Act 13 of 1982 w.e.f. 1.7.1982.

2. Inserted by Act 25 of 1994 w.e.f. 27.9.1994.

3. Inserted by Act 7 of 1997 w.e.f. 27.9.1994.

4. Inserted by Act 5 of 2002 w.e.f. 1.4.2002.

5. Substituted by Act 16 of 1977 w.e.f. 1.4.1979.

(2) In making an assessment or re-assessment under sub-section (1), the authority prescribed under sub-section (1) of section 6-A may, if it is satisfied that due to wilful mis-statement or suppression of facts by the proprietor, the tax has not been levied or has been levied at a rate lower than the rate at which it is leviable, direct the proprietor to pay, in addition to the tax assessed or re-assessed under sub-section (1), a penalty ¹[not less than a sum equal to but]¹ not exceeding ²[thrice]² the tax so assessed or re-assessed:

Provided that no penalty under this sub-section shall be imposed unless the proprietor affected has had a reasonable opportunity of showing cause against such imposition.

1. Inserted by Act 9 of 1984 w.e.f. 1.4.1984.

2. Substituted by Act 36 of 1976 w.e.f. 1.4.1976.

(3) The powers under sub-section (1) may be exercised by the authority prescribed under sub-section (1) of section 6-A even though the original order of assessment, if any, passed in the matter has been the subject matter of an appeal or revision.

(4) In computing the period of limitation for assessment or re-assessment under this section, the time during which the proceedings for assessment or re-assessment remained stayed under the orders of a civil court or other competent authority shall be excluded.]¹

¹**[6C. Rectification of mistakes.-** (1) With a view to rectifying any mistake apparent from the record, the authority prescribed under sub-section (1) of section 6-A, the appellate authority or the revising authority

may, at any time within five years from the date of an order passed by it, amend such order:

Provided that an amendment which has the effect of enhancing an assessment or otherwise increasing the liability of the proprietor shall not be made unless the authority prescribed under sub-section (1) of section 6-A, the appellate authority, or the revising authority as the case may be, has given notice to the proprietor of its intention to do so and has allowed the proprietor an opportunity of being heard.

(2) An order passed under sub-section (1) shall be deemed to be an order passed under the same provision of law under which the original order, the mistake in which was rectified, had been passed.

(3) Where such rectification has the effect of reducing an assessment or penalty, the assessing authority under this Act shall make any refund which may be due to the proprietor.]¹

1. Inserted by Act 3 of 1985 w.e.f. 10.1.1985.

¹**[6-D. Issuance of Clearance Certificates to proprietors.-** Where for the purpose of complying with the requirement of any law for the production of a clearance certificate with respect to payment of tax or any other amount under this Act, a proprietor makes an application to the prescribed authority of the area, the prescribed authority shall, if no amount of assessed tax or any other amount under this Act is due by or any tax payable in accordance with the provisions of sub-section (1-A) of Section 6-A is outstanding from such proprietor, issue a clearance certificate in the prescribed form.]¹

1. Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

7. Exemptions.- ¹[(1) The State Government may, by order, and subject to such conditions as may be specified therein, grant reduction not exceeding fifty per cent of the rate of entertainment tax payable for admission to any entertainment, if the State Government is satisfied that the entire gross proceeds of entertainment after deducting the actual expenses are devoted to philanthropic, religious, charitable or development of recognised game or sport purposes in the State.

²[Provided that for development of any recognized sport the State Government may grant exemption to a specified event of such sport.]²

1. Substituted by Act 4 of 1999 w.e.f. 1.4.1997.

2. Inserted by Act 5 of 2001 w.e.f. 1.4.2000.

Explanation.- "Charitable Purposes" includes relief to the poor, medical relief, and advancement of education or any other object of public utility not

involving the carrying on of any activity for profit so, however, it does not include any purpose the whole or substantially the whole of which is of a religious nature.

(1A) Notwithstanding anything contained in sub-section (1), in respect of a cinematograph show of a film which has been certified by an institution recognised by the State Government as an educational film or a children's film, the State Government may grant exemption or reduction in the rate of entertainment tax payable for any period of time as may be specified.]¹

¹[(2) x x x]¹

1. Omitted by Act 14 of 1966 w.e.f. 16.5.1966.

¹[(2) An order made under sub-section (1) may be subject to such restrictions and conditions (including a condition that the payment for admission to the entertainments shall not be enhanced) as may be specified in the order.

(3) The State Government may, by order, cancel or vary any order issued under sub-section (1).

(4) If any restriction or condition specified in an order under sub-section (2) is contravened or is not observed, the proprietor shall be liable to the payment of the entertainments tax as if the provisions of the order under sub-section (1) did not apply to the said entertainment.

²[(5) If the entertainment is a cinematograph show conducted by a film club or film society satisfying the prescribed conditions and recognised by the Commissioner, exclusively for the benefit of its members and without deriving any profit, such an entertainment shall be exempt from payment of entertainments tax:

Provided that if the film club or film society is found by the Commissioner to have violated any of the prescribed conditions, such film club or film society shall be liable for the payment of entertainments tax for the show or shows in respect of which such violation takes place.]²

³[**Explanation.-** x x x]³¹

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976.

2. Inserted by Act 3 of 1985 w.e.f. 10.1.1985.

3. Omitted by Act 5 1996 w.e.f. 1.4.1996.

¹[**Explanation.-** x x x]¹

1. Inserted by Act 7 of 1997 w.e.f. 1.4.1997 and omitted by Act 18 of 1997 w.e.f. 20.9.1997.

¹**[7A. Power of State Government to exempt or reduce tax.-** (1) The State Government may, by notification, make an exemption of any tax or reduction in the rate of any tax payable under this Act, in respect of entertainments held in newly constructed cinema theatres situate within the limits of any specified local authority or class of local authorities.

(2) Exemption of any tax or reduction in rate of any tax notified under sub-section (1), may be subject to such conditions and restrictions as may be specified in the notification.

(3) The State Government may, by notification, cancel or vary any notification issued under sub-section (1).

(4) If any condition or restriction specified in the notification issued under sub-section (1) is contravened or not observed by a proprietor, the entertainments held in the cinema theatres in respect of which such contravention or non-observance took place, be assessed to tax or taxes, as if the said notification did not apply to such entertainments.]¹

1. Inserted by Act 15 of 1996 w.e.f. 5.9.1996.

8. Refunds in certain cases.- ¹[(1)]¹ Where the State Government is satisfied that the whole of the net proceeds of an entertainment are devoted to philanthropic, religious or charitable purposes, and that in calculating the net proceeds, not more than twenty-five per cent of the gross proceeds have been deducted on account of the expenses of the entertainment, it shall, by order, direct repayment to the proprietor the amount of the entertainments tax paid in respect of the entertainment.

1. Re-numbered by Act 36 of 1976 w.e.f. 1.4.1976.

¹[(2) Subject to such rules as may be made, where the State Government is satisfied that any performance of a cinematograph show could not be completed on account of failure of electric power or mechanical break down and that the proprietor has returned the payments for admission to the persons admitted to such performance, it may, by order, direct repayment to the proprietor the amount of entertainment tax paid by him in respect of such performance.]¹

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976

¹**[8A. Rounding off of tax etc.-** The amount of tax in respect of each payment for admission, ²[x x x]² ³[x x x]³ fine, penalty, or any other amount payable and the amount of refund due, under the provisions of this Act, shall be rounded off ⁴[to the next higher multiple of five paise]⁴.]¹

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976

2. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.

3. Omitted by Act 13 of 1982 w.e.f. 1.7.1982.

4. Substituted by Act 5 of 1981 w.e.f. 4.4.1981.

¹**[8B. Appeals.-** (1) Any person objecting to an order affecting him passed under the provisions of this Act by the prescribed authority may appeal to the ²[Joint Commissioner]² of the jurisdiction.

1. Sections 8B, 8C, 8D and 8E inserted by Act 3 of 1985 w.e.f. 10.1.1985.

2. Substituted by Act 4 of 1999 w.e.f. 1.4.1999

(2) The appeal shall be preferred within thirty days from the date of communication of such order:

Provided that the appellate authority may admit an appeal preferred after the period of thirty days aforesaid if it is satisfied that the appellant had sufficient cause for not preferring the appeal within that period.

(3) (a) No appeal against an order shall be entertained by the appellate authority unless it is accompanied by satisfactory proof of payment of tax and penalty not disputed in appeal.

(b) Notwithstanding that an appeal has been preferred under subsection (1), the tax or other amount shall be paid in accordance with the order against which the appeal has been preferred:

Provided that the appellate authority may, in its discretion, give such directions as it thinks fit in regard to the payment of tax or other amount payable under clause (b), if the appellant furnishes security to its satisfaction in such form and in such manner as may be prescribed.

(4) The appeal shall be in the prescribed form and shall be verified in the prescribed manner.

(5) In disposing of an appeal, the appellate authority, may, after giving the appellant a reasonable opportunity of being heard,—

- (i) confirm, reduce, enhance or annul the order;
- (ii) set aside the order and direct the prescribed authority to pass a fresh order after such enquiry as may be directed; or
- (iii) pass such orders as it may think fit.

(6) Appeal petitions pending before the Commercial Tax Officers or the Deputy Commissioner on the date of commencement of the Karnataka Entertainments Tax (Second Amendment) Act, 1983 shall be transferred to the ¹[Deputy Commissioner]¹ of the jurisdiction concerned who shall dispose

of such appeals in the same manner as if they were preferred under the provisions of this section.

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

8C. Revisional Powers of ¹[Joint Commisioners]¹.- (1) The ²[Joint Commissioner]² may of his own motion call for and examine the records of any order passed or proceedings recorded under the provisions of this Act by the prescribed authority and against which no appeal has been preferred under section 8B, for the purpose of satisfying himself as to the legality or propriety of such order or as to the regularity of such proceedings in so far as it is prejudicial to the interests of revenue and pass such order with respect thereto as he thinks fit.

1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.

¹[(2) x x x .]¹

1. Inserted by Act 7 of 1997 w.e.f. 1.4.1997 and omitted by Act 5 of 2000 w.e.f. 1.4.2000.

¹[(3)]¹ In relation to an order passed under this Act, the power under sub-section (1) shall be exercisable only within a period of four years from the date on which the order was passed.

1. Re-numbered by Act 7 of 1997 w.e.f. 1.4.1997.

¹[(4)]¹ No order shall be passed under sub-section (1) enhancing any assessment, unless an opportunity has given to the assessee to show cause against the proposed enhancement.

1. Re-numbered by Act 7 of 1997 w.e.f. 1.4.1997.

8D. Revision by the Commissioner ¹[x x x]¹.- (1) The Commissioner ¹[xxx]¹ may *suo moto* call for and examine any record relating to any order passed or proceedings recorded by any officer under this Act for the purpose of satisfying himself as to the legality or propriety of such order or as to the regularity of such proceedings in so far as it is prejudicial to the interest of revenue and may, after giving the affected person an opportunity of being heard and after making or causing to be made such enquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment, or cancelling the assessment and directing a fresh assessment.

1. Omitted by Act 7 of 1997 w.e.f. 1.4.1997.

(2) The power under sub-section (1) shall be exercisable only within a period of five years from the date of the orders ought to be revised was passed.

(3) The revision petitions filed before the Commissioner by the proprietors prior to the commencement of the Karnataka Entertainments Tax (Second Amendment) Act, 1983 shall be decided by him under the provisions which existed prior to the commencement of the said Act.

8E. Appeal to the Appellate Tribunal.- (1) Any officer empowered by the State Government in this behalf or any other person objecting to an order passed by the ¹[Joint Commissioner]¹ under section 8B or section 8C may appeal to the Appellate Tribunal constituted under the Karnataka Appellate Tribunal Act, 1976 (Karnataka Act 10 of 1976), within a period of sixty days from the date on which the order was communicated to him.

1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.

(2) The Appellate Tribunal may admit an appeal preferred after the period of sixty days referred to in sub-section (1) if it is satisfied that the appellant had sufficient cause for not preferring the appeal within that period.

(3) The officer authorised under sub-section (1) or the person against whom an appeal has been preferred, on receipt of notice that an appeal against the order of ¹[Joint Commissioner]¹ has been preferred under sub-section (1) by the other party, may, notwithstanding that he has not appealed against such order or any part thereof file within thirty days of the receipt of the notice, a memorandum of cross objections, verified in the prescribed manner, against any part of the order of the ¹[Joint Commissioner]¹, and such memorandum shall be disposed of by the Appellate Tribunal as if it were an appeal presented within the time specified in sub-section (1).

1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.

(4) The appeal or the memorandum of cross objections shall be in the prescribed form, shall be verified in the prescribed manner, and in the case of an appeal preferred by any person other than an officer empowered by the State Government under sub-section (1), shall be accompanied by a fee equal to two percent of the amount of the assessment objected to, provided that the sum payable shall in no case be less than twenty rupees or more than two hundred rupees.

(5) The Appellate Tribunal shall, after giving both parties to the appeal a reasonable opportunity of being heard, pass such orders thereon as it thinks fit;

Provided that if the appeal involves a question of law on which the Appellate Tribunal has previously given its decision in another appeal and either a petition in the High Court against such decision or an appeal in the Supreme Court against the order of the High Court thereon is pending, the Appellate Tribunal may defer the hearing of the appeal before it, till such petition in the High Court or the appeal in the Supreme Court is disposed of.

(6) Notwithstanding that an appeal has been preferred under sub-section (1), tax or other amount shall be paid in accordance with the assessment made in the case:

Provided that the Appellate Tribunal may, in its discretion, give such directions as it thinks fit in regard to the payment of the tax or other amount if the appellant furnishes sufficient security to its satisfaction in such form and in such manner as may be prescribed:

Provided further that if as a result of the appeal any change becomes necessary in such assessment, the Appellate Tribunal may authorise the prescribed authority to amend the assessment, and the prescribed authority shall amend the assessment accordingly and thereupon the amount over-paid by the proprietor shall be refunded to him without interest or the additional amount of tax due from him shall be collected in accordance with the provisions of this Act, as the case may be.

(7) (a) The Appellate Tribunal may, on the application either of the appellant or of the respondent, review any order passed by it under sub-section (5) on the basis of facts which were not before it when it passed the order:

Provided that no such application shall be preferred more than once in respect of the same order.

(b) The application for review shall be preferred in the prescribed manner within six months from the date on which the order to which the application relates was communicated to the applicant, and where the application is preferred by any person other than an officer empowered by the State Government under sub-section (1), it shall be accompanied by a fee equal to that which had been paid in respect of the appeal:

Provided that if the application for review is preferred within ninety days from the date on which the order to which the application relates is communicated to the applicant, the application shall be accompanied by half the fees which has been paid in respect of the appeal.

(8) With a view to rectifying any mistake apparent from the record, the Appellate Tribunal may, at any time within five years from the date of any order passed by it under sub-section (5) or sub-section (7) amend such order:

Provided that no order under this sub-section shall be made without giving both parties affected by the order a reasonable opportunity of being heard.

(9) Except as provided in the rules made under this Act, the Appellate Tribunal shall not have power to award costs to either of the parties to the appeal or review.

(10) Every order passed by the Appellate Tribunal under sub-section (5) or sub-section (7) or sub-section (8) shall be communicated to the appellant, the respondent, the authority on whose order the appeal was preferred and the Commissioner.]¹

¹[9. Payment and recovery of tax.- (1) The ²[tax ³[x x x]³ ⁴[x x x]⁴]² payable under this Act shall be paid in such manner and in such instalments, if any, and within such time, as may be prescribed.

1. Substituted for sections 9 and 9A by Act 36 of 1976 w.e.f. 1.4.1976.

2. Substituted by Act 16 of 1977 w.e.f. 1.4.1979.

3. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.

4. Omitted by Act 13 of 1982 w.e.f. 1.7.1982.

(2) If default is made in making payment in accordance with sub-section (1),—

(i) the whole of the amount outstanding on the date of default shall become immediately due and shall be a charge on the properties of the proprietor liable to pay such ¹[tax ²[x x x]² ³[x x x]³]¹; and

1. Substituted by Act 16 of 1977 w.e.f. 1.4.1979.

2. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.

3. Omitted by Act 13 of 1982 w.e.f. 1.7.1982.

- (ii) the proprietor liable to pay such tax under this Act shall be liable to pay an ¹[interest]¹ equal to one and a quarter per cent of the amount of tax remaining unpaid for each month after the expiry of the time prescribed under sub-section (1).

1. Substituted by Act 11 of 2005 w.e.f. 1.4.2005.

Explanation.- For the purposes of clause (ii), the ¹[Interest]¹ payable for a part of a month shall be proportionately determined.

4. Substituted by Act 5 of 2001 w.e.f. 1.4.2001.

(3) Any amount of ¹[tax ²[x x x]² ³[x x x]³]¹ or any other amount including ⁴[Interest]⁴, due under this Act may, without prejudice to any other mode of collection be recovered,—

1. Substituted by Act 16 of 1977 w.e.f. 1.4.1979.

2. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.

3. Omitted by Act 13 of 1982 w.e.f. 1.7.1982.

4. Substituted by Act 5 of 2001 w.e.f. 1.4.2001.

(a) as if it were an arrear of land revenue; or

¹[(aa) by attachment and sale or by sale without attachment of any property of such proprietor or any other person by the prescribed authority in accordance with such rules as may be prescribed; or]¹

1. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.

(b) ¹[notwithstanding anything contained in the Code of Criminal Procedure, 1973 (Central Act 2 of 1974), on application to any Magistrate]¹, by such Magistrate as if it were a fine imposed by him.

1. Substituted by Act 3 of 1979 w.e.f. 19.1.1979.

(4) The High Court may, either *suo-motu* or on any application by the prescribed authority or any person aggrieved by the order, revise any order made by a Magistrate under clause (b) of sub-section (3).]¹

¹**[9A. Forfeiture of illegal or excess collection of tax.-** Where the authority prescribed under sub-section (1) of section 6A is satisfied that any amount by way of, or purporting to be by way of entertainments tax has been collected from the audience by a proprietor in excess of the rates prescribed under this Act, he shall, by order in writing, forfeit by way of penalty such excess amount illegally collected:

Provided that before taking action, under this section, the proprietor shall be given reasonable opportunity of being heard.

¹[9AA. Recovery of tax or penalty or any other amount from certain other persons.- (1) The prescribed authority may at any time or from time to time, by notice in writing (a copy of which shall be forwarded to the proprietor at his last address known to the prescribed authority), require any person from whom money is due or may become due to the proprietor or any person who holds or may subsequently hold money for or on account of the proprietor to pay to the prescribed authority, either forthwith upon the money becoming due or being held at or within the time specified in the notice (not being before the money becomes due or is held) so much of the money as is sufficient to pay the amount due by the proprietor in respect of arrears of tax or penalty or the whole of the money when it is equal to or less than that amount.

(2) The prescribed authority may at any time amend or revoke any such notice or extend the time for making any payment in pursuance of the notice.

(3) Any person making any payment in compliance with a notice under this section shall be deemed to have made the payment under the authority of the proprietor and the receipt of the prescribed authority shall constitute a good and sufficient discharge of the liability of such person to the extent of the amount referred to in the receipt.

(4) Any person making payment of any amount to the proprietor for discharging any liability after the receipt of the notice referred to in this section shall be personally liable to the prescribed authority to the extent of the liability discharged or to the extent of the liability of the proprietor for the amount due under this Act, whichever is less.

(5) Where any person to whom a notice under this section is sent, objects to it on the ground that the sum demanded or any part thereof is not due by him to the proprietor or that he does not hold any money for or on account of the proprietor, then nothing contained in this section shall be deemed to require such person to pay the sum demanded or any part thereof, to the prescribed authority.

(6) Any amount which a person is required to pay to the prescribed authority or for which he is personally liable to the prescribed authority under this section shall, if it remains unpaid, be a charge on the properties of the said person and may be recovered as if it were an arrear of land revenue.

Explanation I.- For the purpose of this section, the amount due to a proprietor or money held for or on account of a proprietor by any person shall be computed after taking into account such claims, if any, as may have fallen due for payment by such proprietor to such person and as may be lawfully subsisting.

Explanation II.- Notwithstanding anything contained in this Act, for the purpose of this section, the expression “Prescribed Authority” shall include any officer empowered to levy tax or penalty under any of the provisions of this Act or any other officer exercising powers under clause (aa) of sub-section (3) of section 9.

[9-AAA. Furnishing of return, etc..-

(1) Every owner or other person in charge of any place of entertainment who is not the proprietor of any entertainment conducted or organized in such place shall submit to the Entertainment Tax Officer having jurisdiction over the area in which the entertainment is conducted a return containing such particulars within such period as may be prescribed.

(2) If any owner or other person in charge of any place of entertainment fails to submit the return in accordance with sub-section (1), such person and the proprietor of the entertainment shall jointly and severally be liable to pay any tax or penalty or any other amount due by the proprietor of the entertainment.]¹

1. Section 9-AAA inserted by Act 5 of 2001 w.e.f. 1.4.2001.

9AB. Purchase by the State Government in auction of property.- (1) When any immovable property is brought for sale by auction for recovery of any dues under this Act, then notwithstanding anything contained in this Act, the Deputy Commissioner of the Revenue District or any officer authorised by the State Government, shall, subject to any general or special order of the State Government in this behalf, be entitled to bid at such auction and purchase the property on account of the State Government.

(2) Where any property is purchased by the State Government under sub-section (1), then, notwithstanding anything in the Karnataka Land Revenue Act, 1964 or any other law, it shall be lawful for the State Government to dispose of such property in such manner as it deems fit.

(3) The purchase and disposal of the property under this section shall not be questioned in any court of law.]¹

1. Sections 9AA and 9AB inserted by Act 7 of 1997 w.e.f. 1.4.1997.

9B. Liability of firms.- (1) Where any firm is liable to pay entertainments tax under this Act, the firm and each of the partners of the firm shall be jointly and severally liable for such payment.

(2) When a firm liable to pay the entertainments tax is dissolved, the assessment of the entertainments tax shall be made as if no dissolution of the firm had taken place and every person who was, at the time of the dissolution, a partner of the firm and the legal representative of any such person who is deceased, shall be jointly and severally liable to pay the entertainments tax.

9C. Liability on transfer of business.- (1) When the ownership of the cinema theatre or other place of entertainment of a proprietor liable to pay entertainments tax under this Act is transferred, the transferor and the transferee shall jointly and severally be liable to pay entertainments tax, in respect of such cinema theatre or place of entertainment, which remain unpaid at the time of transfer and for the purpose of recovery from the transferee, such transferee shall be deemed to be the proprietor liable to pay the entertainments tax due under this Act.

(2) When an undivided Hindu family or Aliyasanthana family liable to pay entertainments tax is partitioned, the assessment of the entertainments tax shall be made as if no partition of the family has taken place and every person who was a member of the family before the partition shall be jointly and severally liable to pay the entertainments tax assessed or imposed.

Explanation.- For the purpose of this section and sections 9A and 9B 'entertainments tax' includes ²[x x x]² tax on cinematograph shows, penalty or other amount due under this Act.]¹

1. Sections 9A, 9B and 9C inserted by Act 3 of 1985 w.e.f. 1.1.1959.

2. Omitted by Act 18 of 1997 w.e.f. 29.9.1997.

¹[9D. Assessment of legal representatives.- Where a proprietor dies, his executor, administrator or other legal representative shall be deemed to be the proprietor for the purposes of this Act and the provisions of the Act shall apply to him in respect of the entertainment conducted by the deceased proprietor:

Provided that, in respect of any tax, penalty or fee assessed as payable by any such proprietor or any tax, penalty or fee which would have been payable by him under this Act if he had not died, the executor, administrator

or other legal representative shall be liable only to the extent of the assets of the deceased in his hands.]¹

1. Section 9D inserted by Act 7 of 1990 w.e.f. 1.4.1990.

10. Inspection.- (1) ¹[(a) Officer empowered by the State Government or by the Commissioner in this behalf, may for the purpose of this Act, require any proprietor to produce before him the accounts and other documents and also to furnish any information relating to his business.]¹

1. Clause (A) inserted by Act 5 of 2002 w.e.f. 1.4.2002.

¹[(aa)]¹ Any officer authorised by the State Government in this behalf may enter ²[and if necessary, search]² any place of entertainment while the entertainment is proceeding, and any place ordinarily used as a place of entertainment at any reasonable time, for the purpose of satisfying himself whether the provisions of this Act or any rules made thereunder are being complied with.

1. Re-numbered by Act 5 of 2002 w.e.f. 1.4.2002.

2. Inserted by Act 3 of 1985 w.e.f. 10.1.1985.

¹[⁶[(aaa)]⁶ If any such officer has reason to suspect that the proprietor is evading or is attempting to evade payment of any tax, surcharge ²[x x x]² payable under this Act, he may, for reasons to be recorded in writing, seize such accounts, registers, ticket books or other documents ³[or articles]³ of the proprietor as he may consider necessary and shall give the proprietor ⁴[of every entertainment or the owner or person-in-charge of the place of entertainment]⁴ a receipt for the same. Thereafter he shall ⁵[within sixty days]⁵ forward the accounts, registers, ticket books and other documents ³[or articles]³ so seized to the prescribed officer concerned who shall retain the same only for so long as may be necessary for their examination and for any enquiry or proceedings under this Act:

Provided that such accounts, registers, ticket books or other documents shall not be retained for more than ⁵[ninety days]⁵ at a time except with the permission of the ⁵[Joint Commissioner.]⁵¹

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976.

2. Omitted by Act 13 of 1982 w.e.f. 1.7.1982.

3. Inserted by Act 16 of 1977 w.e.f. 1.4.1979.

4. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.

5. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

6. Re-numbered by Act 5 of 2002 w.e.f. 1.4.2002.

(b) Every officer so authorised shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (Central Act XLV of 1860).

(2) The proprietor of every entertainment or the owner or person in charge of any place ordinarily used as a place of entertainment shall give every reasonable assistance to the inspecting officer in the performance of his duties under sub-section (1).

(3) If any person prevents or obstructs the entry of the inspecting officer, he shall, in addition to any other punishment to which he is liable under any law for the time being in force, on conviction, be punishable with fine ¹[which shall not be less than five hundred rupees but which may extend to two thousand rupees]¹.

1. Substituted by Act 3 of 1985 w.e.f. 10.1.1985.

¹[10-A. Registration of distributors, etc.-

(1) Every distributor in the State shall,

(a) get himself registered in such manner as may be prescribed;

(b) submit to the authority prescribed in this behalf, return as may be prescribed of all feature films sold, supplied, distributed, rented or hired for exhibition.

(2) The authority prescribed in this behalf, shall have the power to call for and examine the books of account or other documents in the possession of such distributors with a view to verify the correctness of the return submitted.

(3) Nothing contained in this section shall apply to any State Government or the Central Government.]¹

1. Inserted by Act 7 of 1997 w.e.f. 1.4.1997 and substituted by Act 5 of 2001 w.e.f. 1.4.2001.

11. Admission of certain officers without payment.- The officer referred to in section 10 or any other officer who has to enter any place of entertainment in pursuance of a duty imposed upon him by or under this Act or any other law shall not be required to pay for his admission to the entertainment.

¹**[12. Penalties.-** ²[(1) The proprietor of any entertainment or any person employed by him in any place of entertainment who admits any person to any place of entertainment in contravention of the provisions of section 5, shall on conviction be punishable with simple imprisonment for a term which may extend to six months or with fine ³[which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year]³ or both.

1. Substituted by Act 14 of 1966 w.e.f. 16.5.1966.

2. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

3. Substituted by Act 5 of 2001 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.

(1A) Any distributor who contravenes the provisions of section 10-A shall, on conviction be punishable with simple imprisonment for a term which may extend to six months or with fine ¹[which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year]¹ or with both.

1. Substituted by Act 5 of 2001 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.

(1B) The proprietor of any entertainment who fraudulently evades the payment of any tax due under this Act, shall, on conviction, be punishable with simple imprisonment for a term which may extend to six months or with fine ¹[which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year]¹ or both.

1. Substituted by Act 5 of 2001 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.

(1C) The proprietor of any entertainment who contravenes any other provision of this Act, shall on conviction be punishable with simple imprisonment for a term which may extend to six months or with fine ¹[which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year]¹ or with both.]²

1. Substituted by Act 5 of 2001 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.

(2) It shall be presumed until the contrary is proved that any person who is found without a ticket in any place of entertainment has been admitted by the proprietor of the entertainment or by the person employed by such proprietor in such place in contravention of the provisions of section 5.]¹

¹**[12A. Summary disposal of certain cases.-** (1) A court taking cognizance of an offence under sub-clause (ii) of clause (b) of sub-section

(1) of section 12 shall state upon the summons to be served on the accused person that he may by a specified date prior to the hearing of the charge, plead guilty to the charge by registered letter and remit to the court such sum not exceeding two hundred rupees as the court may specify.

(2) Where an accused person pleads guilty and remits the sum specified under sub-section (1), the court may proceed to hear and dispose of the case in the absence of the accused, whether or not the prosecutor is also absent in like manner as if both parties had appeared and the accused had pleaded guilty.]¹

1. Inserted by Act 31 of 1969 w.e.f. 20.11.1969.

13. Composition of offences.- The prescribed authority may accept from any person who has committed or is reasonably suspected of having committed an offence against this Act, by way of composition of such offence,—

(a) where the offence consists of the failure to pay, or the evasion of, any tax payable under this Act, in addition to the tax so payable, a sum of money ¹[not less than ten thousand rupees for the first offence and not less than fifteen thousand rupees for any second or subsequent offence during the financial year but not exceeding the double the amount of tax whichever is greater]¹ and

1. Substituted by Act 5 of 2001 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.

(b) in other cases, a sum of money ¹[not less than ten thousand rupees for the first offence and not less than fifteen thousand rupees for any second or subsequent offence during the financial year;]¹.

1. Substituted by Act 5 of 2001 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.

14. Bar of certain proceeding.- (1) No suit, prosecution or other proceeding shall lie against any officer or servant of the State Government for any act done or purporting to be done under this Act, without the previous sanction of the State Government.

(2) No officer or servant of the State Government shall be liable in respect of any such act in any civil or criminal proceeding, if the act was done in good faith in the course of the execution of duties or the discharge of functions imposed by or under this Act.

15. Limitation for certain suits and prosecutions.- No suit shall be instituted against the State Government and no suit, prosecution or other

proceeding shall be instituted against any officer or servant of the State Government in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of.

16. Delegation of certain powers of the State Government.- (1) The State Government may, by notification delegate all or any of its powers under this Act except those conferred upon it by sub-section (3) of section 1, section 18 and this section, to any person or authority subordinate to the State Government, and may in like manner withdraw any powers so delegated.

(2) The exercise of any powers delegated under sub-section (1) shall be subject to such restrictions, limitations and conditions, if any, as may be laid down by the State Government and shall also be subject to control and revision by it.

¹[17. x x x]¹

1. Omitted by Act 7 of 1997 w.e.f. 1.4.1997.

18. Power to make rules.- (1) The State Government may, subject to the condition of previous publication, make rules by notification, to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for,—

¹[(a) x x x]¹

1. Omitted by Act 14 of 1966 w.e.f. 16.5.1966.

(b) the use of tickets covering the admission of more than one person and the calculation of the tax thereon; and for the payment of the tax on the transfer from one part of a place of entertainment to another, and on payments for seats or other accommodation;

¹[(bb) determination of gross collection capacity and payment of tax under ²[section 4A]²;]¹

1. Inserted by Act 16 of 1977 w.e.f. 1.4.1979.

2. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

(c) controlling the use of barriers or mechanical contrivances (including the prevention of the use of the same barrier or mechanical contrivance for payments of a different amount) and for securing proper records of admission by means of barriers or mechanical contrivances;

(d) the checking of admission, the keeping of accounts and the furnishing of returns by the proprietors of entertainments ¹[x x x]¹;

1. Omitted by Act 14 of 1966 w.e.f. 16.5.1966.

¹[(e) x x x]¹

1. Omitted by Act 3 of 1985 w.e.f. 10.1.1985.

(f) the proper maintenance of accounts and submission of returns;

(g) the time and manner of payment and collection of the tax under this Act;

(h) the duties and powers of officers appointed for enforcing the provisions of this Act;

(i) the issue of passes by the proprietors of entertainments for the admission of officers who have to perform any duty imposed upon them by law; and

(j) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the State Government, necessary for giving effect to the purposes of this Act.

(3) In making a rule under sub-section (1) or sub-section (2), the State Government may provide that a breach thereof shall be punishable with fine which may extend to ¹[ten thousand rupees]¹.

1. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

¹[(3A) A rule under this Act may be made with retrospective effect and when such rule is made, the reasons for making the rule shall be specified in a statement laid before both Houses of the State Legislature. Subject to any modification made under sub-section (4), every rule made under this Act shall have effect as if enacted in this Act.]¹

1. Inserted by Act 14 of 1966 w.e.f. 16.5.1966.

(4) All rules made under this section shall be laid as soon as may be after they are made before each House of the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two or more sessions and if before the expiry of the said period, either House of the State Legislature makes any modification in the rules or directs that any rule shall not have effect and if the modification or direction is agreed to by the other House, the rules shall thereafter have effect only in such modified form or be of no effect, as the case may be.

19. Repeal and savings.- (1) The Bombay Entertainments Duty Act, 1923 (Bombay Act I of 1923), as in force in the ¹[Belgaum Area]¹, the Mysore Amusements Tax Act, 1932 (Mysore Act VIII of 1932), as in force in the Mysore Area except Bellary District, the Madras Entertainments Tax Act, 1939 (Madras Act X of 1939), as in force in the Bellary District, the Madras Entertainments Tax Act, 1939 (Madras Act X of 1939), as in force in the ¹[Mangalore and Kollegal Area]¹, the Hyderabad Entertainments Tax Act, 1355 Fasli (Hyderabad Act V of 1355 F), the Hyderabad Cinema Shows Tax Act, 1952 (Hyderabad Act XXVI of 1952) and section 114 of the Hyderabad District Municipalities Act, 1956 (Hyderabad Act XVIII of 1956), as in force in the ¹[Gulbarga Area]¹, the Mysore Cinematograph Shows Tax Act, 1951 (Mysore Act XVI of 1951), as in force in the Mysore Area and the Coorg Entertainments Tax Act, 1953 (Coorg Act VII of 1953) as in force in the Coorg District and any other provision of law, rule or bye-law in force in any area of the ¹[State of Karnataka]¹ imposing a tax on entertainments or amusements whether called a tax on theatres or cinematograph shows or otherwise are hereby repealed:

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

Provided that such repeal shall not affect,—

- (a) the previous operation of the said enactments, laws, rules or bye-laws or anything duly done or suffered thereunder; or
- (b) any right, privilege, obligation or liability (including liability to pay any tax), acquired, accrued or incurred under the said enactments, laws, rules or bye-laws; or
- (c) any penalty, or punishment incurred in respect of any offence committed against the said enactments, laws, rules or bye-laws; or
- (d) any investigation, legal proceeding (including proceeding for recovery of any tax) or remedy in respect of any such right, privilege, obligation, liability or punishment as aforesaid,

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty or punishment may be imposed as if this Act had not been passed.

(2) Notwithstanding anything contained in sub-section (1), for the purpose of giving effect to the proviso to sub-section (1), the State

Government may, by notification make such provision as appears to it to be necessary or expedient,—

(a) for making omissions from, additions to and adaptations and modifications of the rules, notifications and orders issued under the repealed enactments or laws;

(b) for specifying the authority officer or person who shall be competent to exercise such functions exercisable under any of the repealed enactments or laws or any rules, notifications, or orders issued thereunder as may be mentioned in the said notification.

20. Power to remove difficulties.— If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by notification, make such provisions as appear to it to be necessary or expedient for removing the difficulty.

* * * *

NOTIFICATIONS**I**

Bangalore, dated 1st January, 1959. [No. RD 95 ENX 58—4]

In exercise of the powers conferred by sub-section (3) of Section 1 of the Mysore Entertainments Tax Act, 1958 (Mysore Act No. 30 of 1958), the Government of Mysore hereby specifies the all the provisions of the said Act (except Section 19) shall come into force from the First day of January, 1959, in all the area of the State other than the areas in which they have come into force under the said sub-section.

By Order and in the name of the Governor of Mysore,

(K. BALASUBRAMANYAM)

Secretary to Government

Revenue Department

II

Bangalore dated 27th April, 1966 [No. FD 17 CEX 66.]

S.O. 4356.—In exercise of the powers conferred by sub-section (2) of Section 1 of the Mysore Entertainments Tax (Amendment) Act, 1966 (Mysore Act No. 14 of 1966) the Government of Mysore hereby appoints the 16th day of May, 1966, as the date on which the provisions of the said Act shall come into force.

By Order and in the name of the Governor of Mysore,

(N. J. GOREPEERZADE)

Under Secretary to Government

Finance Department

III

Bangalore, dated 30th November 1971 [No. FD 72 CEX 71]

S.O. 2001.—In exercise of the powers conferred by sub-section (2) of Section 1 of the Mysore Entertainments Tax (Amendment) Act, 1971 (President's Act No. 14 of 1971), the Government of Mysore hereby appoints the first day of December, 1971, as the date on which the said Act shall come into force.

By Order and in the name of the President of India,

(N. S. BHARATH)

Joint Secretary to Government, Finance Department.

IV

Bangalore, dated 26th February, 1979 [No. FD 170 CEX 77]

In exercise of the powers conferred by sub-section (2) of Section 1 of the Karnataka Entertainments Tax (Amendment) Act 1977 (Karnataka Act No. 16 of 1977) and in super session of the Notification No. FD 170 CEX 77 dated 22nd February 1979, the Government of Karnataka hereby appoints the First day of April 1979 for the purpose of the said sub-section

By Order and in the name of the Governor of Karnataka,

(L. S. JAGIRDAR)

Under Secretary to Government, Finance Department. (C.T.)

V

Bangalore, dated 1st April, 1985 [No. FD 7 CEX 85]

In exercise of the powers conferred by sub-section (2) of section 1 of the Karnataka Entertainments Tax (Second Amendment) Act, 1983 (Karnataka Act 3 of 1985), the Government of Karnataka hereby appoints the first day of April, 1985 as the date on which section 4 of the said Act shall come into force.

By Order and in the name of the Governor of Karnataka,

(M. R. REWANKAR)

Under Secretary to Government, Finance Department (CT).

(Published in Gazette Extraordinary, PART IV—2-C (ii) dated 1.4.1985, No. 185.)

VI

Bangalore, dated 7th February, 1986 [No. FD 7 CEX 85]

S. O. 296.—In exercise of the powers conferred by sub-section (2) of Section 1 of the Karnataka Entertainments Tax (Second Amendment) Act, 1983 (Karnataka Act 3 of 1985), the Government of Karnataka hereby specifies that the section 5 of the Karnataka Entertainments Tax (Second Amendment) Act, 1983 (Karnataka Act 3 of 1985) shall come into force on the Fifteenth day of February, 1986.

(Published in Gazette Extraordinary, dated 10.2.1986 in PART IV—2-C (ii), No. 89.)

VII

Bangalore, dated 7th February, 1986 [No. FD 146 CEX 85]

In exercise of the powers conferred by sub-section (2) of Section 1 of the Karnataka Entertainments Tax (Amendment) Act, 1985 (Karnataka Act 22 of 1985) the Government of Karnataka hereby specifies that the Karnataka Entertainments Tax (Amendment) Act, 1985 (Karnataka Act 22 of 1985) shall come into force on the Fifteen day of February 1986.

By Order and in the name of the Governor of Karnataka,

(M. R. REWANKAR)

Under Secretary to Government, Finance Department (CT)

(Published in Gazette Extraordinary, PART IV—2-C (ii), dated 10.2.1986, No. 90.)

* * * *

KARNATAKA ACT NO.5 OF 2001
THE KARNATAKA TAXATION LAWS
(AMENDMENT) ACT, 2001

ARRANGEMENT OF SECTIONS

Sections:

1. Short title and commencement
2. Amendment of Karnataka Act 22 of 1957
3. Amendment of Karnataka Act 25 of 1957
4. Amendment of Karnataka Act 30 of 1958
5. Amendment of Karnataka Act 35 of 1976
6. Amendment of Karnataka Act 22 of 1979
7. Amendment of Karnataka Act 27 of 1979
8. Validation of Assessments, etc.
9. Validation of certain notifications
10. Declaration.

STATEMENT OF OBJECTS AND REASONS

To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979), the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958), the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976) and the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957). Certain consequential amendments are also made.

Hence the Bill.

(Vide L.A.Bill No. 7 of 2001 File No. ಸಂಖ್ಯೆಶಾಇ 9 ಶಾಸನ 2001)

KARNATAKA ACT NO. 5 OF 2001

(First Published in the Karnataka Gazette Extra-ordinary on the thirty first day of March, 2001)

**THE KARNATAKA TAXATION LAWS
(AMENDMENT) Act, 2001**

(Received the assent of the Governor on the thirty first day of March, 2001)

An Act further to amend certain taxation laws as in force in the State of Karnataka.

Whereas, it is expedient further to amend certain taxation laws for the purposes hereinafter appearing.

Be it enacted by the Karnataka State Legislature in the Fifty-second year of the Republic of India, as follows. -

1. Short title and commencement. - (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2001.

(2) It shall come into force from the first day of April 2001.

2. Amendment of Karnataka Act 22 of 1957. - In the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957), in section 42, in sub-section (1),-

(i) in clause (ii),

(a) for the words “a penalty”, the word “interest” shall be and shall be deemed always to have been *substituted*;

(b) for the words “one and one half per cent of the tax remaining unpaid for each month for the first three months”, the words “two per cent of the amount of tax or any other amount due

remaining unpaid for each month” shall be *substituted*;

(c) clause (b) shall be ommitted.

(ii) in the Explanation, for the words “a penalty”, the word “interest” shall be and shall be deemed always to have been *substituted*.

3. Amendment of Karnataka Act 25 of 1957. - In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), -

(1) in Section 2, in sub-section (1), in clause (o-1), -

- (i) after the words “coffee curing works”, the punctuation mark and the words “, hulling of coffee beans and coffee seeds in a coffee hulling unit” shall be *inserted*;
- (ii) after the words “such works”, the words “or such unit” shall be *inserted*;
- (iii) in the explanation, after item (iii-a), the following shall be *inserted*, namely:-

“(iii-b) “**Coffee hulling unit**” means the plant and machinery with which and the premises including the precincts there of in which or in any part of which, hulling or curing coffee beans or coffee seeds is carried on;”

(2) in Section 5, after sub-section (3-C), the following shall be *inserted*, namely:-

“(3-CC) Notwithstanding anything contained in sub-section (3), in the case of any of the goods mentioned in column (2) of the Ninth Schedule whether such goods has already been subjected to tax or not under clause (a) of sub-section (3) by a dealer liable to tax under this Act, a tax at the rate specified in the corresponding entries

in column (3) of the said Schedule shall be levied at the point of second or subsequent sale in the State on the taxable turnover of sales of such dealer in each year relating to such goods.

Explanation.- For the purposes of this sub-section, second or subsequent sale shall be the sale by the dealer other than the dealer liable to tax under clause (a) of sub-section (3), to a consumer or another dealer and shall not include first sale in the State.”

(3) for Section 5-A, the following shall be *substituted*, namely:-

“5-A. Reimbursement of tax on Industrial Inputs:

(1) Where a registered dealer purchases any industrial input liable to tax under Section 5 from another registered dealer for use by the former as a component part or raw material or packing material of any other goods which he intends to manufacture inside the state for sale or purchases consumables liable to tax under Section 5 for use in such manufacture, he shall be eligible for reimbursement of tax,

(a) in respect of declared goods mentioned in column (2) of the Fourth Schedule, paid at a rate exceeding three per cent on the turnover relating to such purchase;

(b) in respect of any other goods, paid at a rate exceeding two per cent on the turnover relating to such purchase.

(2) Such amount shall be reimbursed to the registered dealer making such purchase,

(i) by adjustment towards tax payable by him for any month or year as the case may be, under the Act or the Central Sales Tax Act, 1956 (Central Act 74 of 1956) or the Karnataka Tax on Entry of Goods Act,

1979 (Karnataka Act 27 of 1979), in such manner and subject to such condition as may be prescribed;

- (ii) by refund in such manner and subject to such condition as may be prescribed.

Provided further that such re-imbursement shall be made only against a bill or cash memorandum issued by the seller showing separately the amount collected by way of tax.

Provided also that if any dealer, after claiming re-imbursement of tax on purchase of any inputs under the first proviso to this sub-section fails to make use of the whole or part of such inputs in the manufacture of other goods before the expiry of the accounting year immediately succeeding the one in which such inputs are purchased, either due to cessation of his manufacturing activity or for any other reason, but has not sold away such inputs, he shall be liable to pay the difference between the tax payable at the rate specified under Section 5 and the tax computed at the rate of two or three per cent, as the case may be, on the turnover relating to the sale of such quantity of these inputs to him as have remained unutilized with him for the declared purpose at the end of the period specified above.

(3) If any person,-

- (i) not having his manufacturing unit inside the State, purchases any inputs and claims reimbursement under sub-section (2), or
- (ii) having his manufacturing unit inside the State and claiming reimbursement on purchase of any inputs under sub-section (2), sells away such inputs contrary to such claim, the assessing authority, after giving such person a reasonable opportunity of being heard, shall, by order in writing, impose upon him by way of penalty a sum, which shall

not be less than double the amount of tax leviable under Section 5 on the sale of the inputs so purchased, but which shall not exceed three times the amount of such tax;

- (iii) having his manufacturing unit inside the State and claiming reimbursement on purchase of any inputs under sub-section (2), uses such inputs contrary to such claim, the assessing authority, after giving such person a reasonable opportunity of being heard, shall, by order in writing, impose upon him by way of penalty a sum which shall not be less than twice the amount of tax leviable under Section 5 but not exceeding thrice the amount of such tax on the inputs so purchased.

(4) (a) Every dealer who, during the course of the year, claims re-imbursement of tax on purchase of any inputs under sub-section (2), shall maintain in the prescribed manner a day to day account of the opening balance, purchases, consumption and closing balance of every input, which is purchased by him under sub-section (2).

(b) If any dealer fails to maintain in the prescribed manner, true and complete accounts as required by clause (a) of this sub-section, the assessing authority shall, after giving such dealer a reasonable opportunity of being heard pass an order,-

- (i) disentitling such dealer from making use of re-imbursement specified under sub-section (2); and
- (ii) imposing upon him a penalty not exceeding double the amount of tax leviable under the provisions of section 5 on the sale value of the inputs already purchased by him on which he has claimed re-imbursement.

(c) If any dealer, in respect of whom an order has been passed under clause (b) of this sub-section, pays the penalty and complies with other terms of such order, the assessing authority may, in his discretion, permit such dealer to claim reimbursement on purchase of inputs in the State.

Explanation-I. - (1) For the purpose of this section, the expressions “industrial inputs”, mean either a “component part” or “raw material”, or packing materials but do not include cement, wood, bamboo, timber other than veneer, casuarina, eucalyptus, pulpwood and packing shooks and inputs falling under Serial Number 12 of Part “S” and Serial Number 10 of Part “M” of the Second Schedule.

(2) The expression “component part” means an article which forms an identifiable constituent of the finished product and which, along with others, goes to make up the finished product.

(3) The expression “raw material” means any material-

- (a) from which another product can be made, through the process of manufacture, either by itself or in combination with other raw materials; or
- (b) a processing or any other chemical solvent (including chemicals used for testing, analysis or research) used in the solvent extraction process or a catalyst required in the manufacturing process, but it does not include fuels and consumable stores of similar type.

(4) The expression “consumables” does not include petroleum products falling under Serial Number 11-A of Part ‘F’, Serial Number 12 of Part ‘M’ and Serial Number 5 of Part ‘P’ of the Second Schedule.

Explanation II. - For the purpose of this section, the expression “tax payable” shall not include the tax payable under Section 6-B of the Act.”

(4) in Section 6-D, for the words “Karnataka Infrastructure Development and Finance Corporation”, the words, brackets and figures “Infrastructure Development Corporation (Karnataka) Limited and Bangalore Mass Rapid Transit Limited in the proportion of 67:33 respectively” shall be deemed to have been *inserted* with effect from the First day of April, 1998.

(5) in Section 8-A,

- (i) in sub-section (1), after the words “reduction in rate”, the words “either prospectively or retrospectively” shall be deemed to have been *inserted* from the First day of April, 2000 and shall be deemed to have been *omitted* from the First day of April, 2001.
- (ii) in sub-section (3), after the words “by notification”, the words “either prospectively or retrospectively” shall be deemed to have been *inserted* from the First day of April, 2000 and shall be deemed to have been *omitted* from the First day of April, 2001.

(6) in Section 12,-

(i) after sub-section (1-A), the following shall be *inserted*, namely: -

“(1-B) If default is committed in the payment of full amount of tax payable in advance for any year as reduced by any amount of tax already paid under Section 12B, beyond thirty days after the close of the year, whether or not a return as required under sub-section (1) is filed; or if the amount of tax paid is less than the amount of tax so payable, the dealer defaulting payment of tax or making short payment

of tax shall, in addition to the tax, pay interest calculated at the rate of two per cent per month from the thirty first day to the date of payment of such tax or upto the date specified for payment of tax assessed under section 12, as the case may be.”;

(ii) in sub-section (4), the following proviso shall be *inserted*, namely. -

“Provided that no penalty shall be levied on any turnover that has been subject to penalty under sub-section (3-A) of Section 12-B.”

(7) in Section 12-B. -

(i) in sub-section (2), after the words “such tax”, the words and figures “or upto the date specified for payment of tax assessed under Section 12, as the case may be” shall be *inserted*.

(ii) after sub-section (3), the following shall be *inserted* namely.-

“(3-A) When making assessment under sub-section (3), the assessing authority may also direct the dealer to pay in addition to tax assessed, a penalty.-

(a) not exceeding one and a half times but not less than one half of the amount of tax due on turnover that was not disclosed by the dealer in his statement; or

(b) not exceeding one and half times the tax assessed in the case of failure to submit a statement.”

(iii) in sub-section (4), for the words “calculated at the rate of two per cent per month of the tax paid in short from the date of expiry of

thirty days after the close of the month or the quarter or the year as the case may be, to which such tax relates”, the words “ which shall not be less than one half of the tax so paid in short, but not exceeding one and half times the amount by which the tax so paid fall short” shall be *substituted*.

(8) for Section 12-C, the following shall be *substituted*, namely.-

“12-C. Self-assessment in the case of certain dealers.-

- (1) Notwithstanding anything contained in sub-section (3) of Section 12, the assessing authority in respect of any year commencing from the First day of April, 2000 shall assess a dealer engaged in,
 - (a) Selling of goods on the basis of return submitted in accordance with sub-section (1) of section 12 without requiring his presence or production of books of accounts subject to the conditions that. -
 - (i) such goods do not include Cement sold by a first seller, Iron and Steel, Liquor including Beer, Wine and Fenny, Spirits and Alcohol;
 - (ii) such dealer is not an oil company or is engaged in the execution of any works contract;
 - (iii) such dealer has furnished declarations or certificates prescribed along with the return or within a period of six months from the close of the assessment year or before the completion of assessment proceedings whichever is later, in case of claim to exemption from tax or concessional rate of

tax on turnovers relating to sales in terms of section 5-A or sales or purchases covered by notifications issued under section 8-A or 19C;

- (iv) such dealer has furnished declarations or certificates prescribed along with the return or within a period of six months from the close of the assessment year or before the completion of assessment proceedings whichever is later, in case of claim to exemption from tax or concessional rate of tax or non-liability to tax on sales or purchases or despatches referred to in Central Sales Tax Act, 1956 (Central Act 74 of 1956).
- (b) processing or manufacturing goods whose total turnover in any year is not more than twenty five lakh rupees, on the basis of return submitted in accordance with sub-section (1) of section 12 without requiring his presence or production of books of accounts subject to the conditions that.-
 - (i) such dealer has furnished declarations or certificates prescribed along with the return or within a period of six months from the close of the assessment year or before the completion of assessment proceedings whichever is later, in case of claim to exemption from tax or concessional rate of tax on turnovers relating to sales in terms of section 5-A or sales or purchases covered by notifications issued under section 8-A or 19C;
 - (ii) such dealer has furnished declarations or certificates prescribed along with the return or within a period of six months from the close of the assessment year or before the

completion of assessment proceedings whichever is later, in case of claim to exemption from tax or concessional rate of tax or non-liability to tax on sales or purchases or dispatches referred to in Central Sales Tax Act, 1956 (Central Act 74 of 1956).

- (2) Where before completion of self-assessment, return submitted or any compliance furnished under sub-section (1) is found to involve mistake apparent on record, the assessing authority shall afford opportunity to the dealer to submit revised return or to rectify such mistake.
- (3) Self-assessment under sub-section (1) shall not be made in respect of a dealer for any year if;
 - (i) the return filed or any compliances furnished as required by sub-section (1) for any year is incomplete or incorrect or defective, save for mistakes apparent on record;
 - (ii) it is found that the dealer attempted to conceal any turnover to evade tax, for that year;
 - (iii) the dealer has ceased to do any business or has closed down business, for that year.
- (4) Notwithstanding anything contained in sub-section (1), the Commissioner shall, within a period of seventy five days from the close of the year to which the assessment relates, notify selection of cases for the purpose of scrutiny in entirety of the assessment records and in respect of such cases so found warranted, shall direct the assessing authority concerned to make assessment under sub-section (3) of Section 12.

- (5) The assessing authority shall, within a period of sixty days from the date of notification of cases for the purpose of scrutiny assessment under sub-section (4), serve upon the dealer, notice as prescribed demanding payment of tax or issue order of refund as prescribed, on the basis of self-assessment or communicate initiation of proceedings of scrutiny assessment under sub-section (4).
- (6) If on scrutiny assessment in cases falling under sub-section (4), it is found that the amount of tax paid by any dealer for any year was less than the tax payable for that year as assessed by more than fifteen per cent, the assessing authority shall direct such dealer to pay, in addition to the tax, a penalty equivalent to three times the amount of the tax so paid in short.
- (7) Every assessment completed under sub-section (1) shall be subject to the provisions of Sections 12-A, 21, 22-A and 25-A.”
- (9) Section 12-E shall be *omitted*.
- (10) in Section 13,
 - (i) in sub-section (1), the following proviso shall be *inserted*, namely. -

“Provided that where the amount paid falls short of the aggregate of the tax or any other amount due and interest payable, the amount so paid shall first be adjusted towards interest payable and the balance, if any, shall be adjusted towards the tax or any other amount due.”
 - (ii) in sub-section (2), in clause (ii),
 - a) after the words “liable to pay the tax”, the words, figures and letters

“other than tax payable in advance for any year under sections 12 and 12B” shall be *inserted*.

- b) for the word “penalty”, the word “interest” shall be *substituted*.
- c) in the explanation, for the word “penalty”, the word “interest” shall be *substituted*.

(iii) in sub-section (2-A), for the word “penalty”, in the two places it occurs, the word “interest” shall be *substituted*.

(11) in Section 17,

(i) in sub-section (4), in clause (i),

(a) after the words “including beer” and before the punctuation mark, the following words shall be inserted, namely.-

“or a hotelier or a restaurateur operating in the same premises or a premises attached to a place where liquor including beer is served”

(b) the words “whose total turnover in a year is not exceeding one hundred lakh rupees” shall be *omitted*;

(c) for the words “two per cent”, the words “four per cent” shall be *substituted*.

(ii) after sub-section (9), the following shall be inserted, namely.-

“(10). Subject to such conditions and such circumstances as may be prescribed, the Assessing Authority of the area may, if a dealer carrying on business in lottery tickets so elects, accept in lieu of the amount of tax payable by him during any year, under this Act, by way of composition, an amount at the following rates, namely,-

TABLE

Sl.No.	Type of Draw	Rate per Draw
1	Weekly Draw	Twenty thousand rupees
2	Fortnightly Draw including any draw the period which is more than a week but less than a fortnight	Sixty thousand rupees
3	Monthly Draw including monthly Bumper Draw and every draw the period of which is more than a fortnight but less than a month	One lakh rupees
4	Special Bumper Draw or Festival Bumper Draw including any other draw not covered by any other category and any draw the period of which is more than a month	Four lakh rupees

(11) Notwithstanding anything contained in any other provisions of this Act, the tax payable under sub-section (10) shall be paid ten days prior to the draw.”

(12) in Section 18, in sub-section (1), in clause (b), after the words “any goods”, the words “or any transaction” shall be and shall be deemed always to have been *inserted*.

(13) in Section 20,-

- (i) for sub-section (1), the following shall be *substituted*, namely.-

“(1) Any person objecting to an order affecting him passed under the provisions of this Act by,-

- (i) a Commercial Tax Officer, may appeal to the Deputy Commissioner; and
- (ii) an Assistant Commissioner of Commercial Taxes or a Deputy Commissioner, may appeal to the Joint Commissioner.”

Provided that any appeal preferred against the orders of the Commercial Tax Officer and pending before the date of commencement of this Act shall stand transferred to the Deputy Commissioner.”

- (ii) in sub-section (3), after the proviso, the following provisos shall be *inserted*, namely.-

“Provided further that where an order staying proceedings of recovery any tax or other amount is made in any proceedings relating to an appeal under sub-section (1), the appellate authority

shall dispose of the appeal within a period of one hundred twenty days from the date of such order.

Provided also that if such appeal is not so disposed of within the period specified in the second proviso, the order of stay shall stand vacated after the expiry of the said period.”

- (iii) in sub-section (5), in clause (a), sub-clause (ii) shall be *omitted*.

(14) in Section 21, after sub-section (2), the following proviso shall be *inserted*, namely.-

“Provided that such power shall not include the power to set aside any assessment and directing the assessing authority to make a fresh assessment.”

(15) in Section 22-A, for the words “any proceeding”, the words “any order passed or proceeding recorded” shall be and shall be deemed to always to have been *substituted*.

(16) in Section 22-B, in sub-section (1), after the proviso, the following proviso shall be *inserted*, namely. -

“Provided further that no such time limit shall be applicable in respect of proceedings initiated by the Commissioner under Section 22-A.”

(17) in Section 28-A,-

- i) sub-section (3-A) shall be renumbered as clause (i) thereof and after clause (i) as so renumbered, the following clause shall be inserted, namely.-

“(ii) The power conferred by clause (i) shall also include,-

a) the power to seal any box or receptacle, godown or building or any part of the godown or building in which accounts or taxable goods are suspected to be kept or stored, where the carrier or bailee or person-in-charge of the place of business either leaves the premises or is not available or fails or refuses to open any box or receptacle, godown or building or any part of the godown or building when called upon to do so.

b) the power to break open the receptacle, godown or building or part of the godown or building where the carrier or bailee or the person-in-charge of the place of business leaves the premises or, after an opportunity having been given to him to do so, fails to open the receptacle, godown or building or part of the godown or building and the officer acting under this sub-clause shall prepare a list of the goods and documents found therein.”

ii) after sub-section (3-AA), the following shall be inserted, namely. -

“(3-AB) No person shall tamper with any seal put under clause (ii) of sub-section (3-A).”

iii) in sub-section (4),

a) for, the words and punctuation mark “levy a penalty, which,-” and including clause (a) and clause (b), but excluding the proviso, the words “levy a penalty which shall not be less than double the amount

of tax leviable and not exceeding three times the amount of tax leviable in respect of the goods under transport.” shall be *substituted*.

b) in the proviso, clause (ii) shall be *omitted*.

(18) for Section 28-B, the following shall be *substituted*, namely.-

“28-B. Registration of transporter, etc.-

(1) Every person or a clearing or forwarding house or agency, transporting agency, shipping agency, shipping-out agency or steamer agency or air-cargo agency or courier agency engaged in the business of transporting taxable goods in the State shall,

(a) get itself or himself registered in such manner as may be prescribed; and

(b) submit to the authority prescribed in this behalf, return as may be prescribed of all taxable goods cleared, forwarded, transported or shipped by it or him.

(2) The authority prescribed in this behalf, shall have the power to call for and examine the books of account or other documents in the possession of such person or agency with a view to verify the correctness of the return submitted.

(3) Nothing contained in this section shall apply to any State Government or the Central Government.”

(19) Section 28-C shall be omitted.

(20) in Section 29,

- (i) in sub-section (1), after the words “to one year”, the words “where the amount of tax assessed or penalty levied is not less than ten lakh rupees and where the amount of tax assessed or penalty levied is less than ten lakh rupees, to a simple imprisonment for a period of not less than six months but which may extend to one year” shall be *inserted*.
- (ii) in sub-section (2), after clause (a), the following shall be *inserted*, namely. -
 - “(aa) being a transporter obliged to be registered himself or itself under Section 28-B does not get himself or itself registered; or”.
- (ii) in clause (k), after the word and figures “Section 28”, the words, figures, brackets and letters “clause (ii) of sub-section (3-A) of Section 28-A” shall be *inserted*.

(21) in the Second Schedule. -

- (i) in the entries relating to Serial Number 3-A of Part ‘A’, in column (1), after the words “Rotary Ditcher”, the punctuation mark and words “, Threshers, Chaff cutters” shall be *inserted*.
- (ii) in the entries relating to Serial Number 5-A of Part ‘A’, in column (3) for the words “Four per cent”, the words “Two per cent” shall be *substituted*.
- (iii) in the entries relating to Serial Number 7 of Part ‘A’, in column (3) for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.
- (iv) after the entries relating to Serial Number 7 of Part ‘B’, the following shall be inserted, namely.-

“7-A. Books other than those mentioned
in the Fifth Schedule. Four percent”

- (v) in the entries relating to Serial Number 8-A of Part ‘B’, in column (2), for the words “sold under brand name”, the words “and bun” shall be *substituted*.
- (vi) in the entries relating to Serial Number 1 of Part ‘C’, in column (3), for the words “Eight per cent”, the words “Four per cent” shall be *substituted*.
- (vii) in the entries relating to Serial Number 2 of Part ‘C’, in column (3), for the words “Eight per cent”, the words “Four per cent” shall be *substituted*.
- (viii) in the entries relating to Serial Number 4 of Part ‘C’, in column (3), for the words “Eight percent”, wherever they occur, the words “Four per cent” shall be *substituted*.
- (ix) in the entries relating to items (ii) and (iii) of Serial Number 5 of Part ‘C’, in column (3), for the words “Ten percent”, wherever they occur the words “Twelve per cent” shall be *substituted*.
- (x) in the entries relating to item (ii) of Serial Number 7 of Part ‘C’, in column (3), for the words “Fifteen per cent”, the words “Ten per cent” shall be *substituted*.
- (xi) in the entries relating to item (v) of Serial Number 8 of Part ‘C’, in column (3), for the words “Eight per cent”, the words “Two per cent” shall be *substituted*.
- (xii) after the entries relating to Serial Number 17 of Part ‘C’, the following shall be *inserted*, namely. -

- (xiii) in the entries relating to item (iii) of Serial Number 18 of Part 'C', in column (3), for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (xiv) in the entries relating to item (i) of Serial Number 19 of Part 'C', in column (3), for the words "Eight per cent", the words "Four per cent" shall be *substituted*.
- (xv) in the entries relating to Serial Number 20 of Part 'C',-
- (a) in item (i) in column (2), the words "consisting of monitor, key board, mouse, floppy drives, cartridge tape drives, CD ROM drives, DAT drives, hard disks" shall be deemed always to have been *omitted*.
- (b) in item (i) in column (3) for the words "Eight Percent" wherever they occur, the words "Four percent" shall be *substituted*.
- (c) after the entries relating to item (iv) the following shall be *inserted*, namely,-
- | | |
|------------------------|----------------|
| “(v) Computer Software | Four per cent” |
|------------------------|----------------|
- (xvi) in the entries relating to item (ii) of Serial Number 21 of Part 'C', in column (3), for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (xvii) in the entries relating to Serial Number 25 of Part 'C', in column (3), for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

- (xviii) in the entries relating to Serial Number 25-A of Part 'C', in column (3), for the words "Eight per cent", the words "Four per cent" shall be *substituted*.
- (xix) in the entries relating to Serial Number 25-B of Part 'C', in column (3), for the words "Eight per cent", the words "Four per cent" shall be *substituted*.
- (xx) in the entries relating to Serial Number 1 of Part 'E', in column (2), after the words "other than", the words "coconut oil sold under brand name and" shall be *inserted*.
- (xxi) in Serial Number 2 of Part 'E',
 - (a) in item (ii), in column (3), for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
 - (b) in item (iii), in column (3), for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (xxii) in the entries relating to sub-item (b) of item (v) of Serial Number 8 of Part 'F', in column (2), after the word "in", the words "or by" shall be *inserted*.
- (xxiii) in the entries relating to Serial Number 4 of Part 'G', in column (3) for the words "Eight per cent", the words "Four per cent" shall be *substituted*.
- (xxiv) in the entries relating to Serial Number 4-A of Part 'G', in column (3) for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

- (xxv) in the entries relating to Serial Number 7 of Part 'G', in column (3) for the words "Eight per cent", the words "Four per cent" shall be *substituted*.
- (xxvi) in the entries relating to Serial Number 2 of Part 'H', in column (3) for the words "Eight per cent", the words "Four per cent" shall be *substituted*.
- (xxvii) in the entries relating to Serial Number 1 of Part 'I', in column (3) for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (xxviii) in the entries relating to Serial Number 2 of Part 'J', in column (2), for the words "and silver", the punctuation mark and words ", silver and other noble metals," shall be *substituted*.
- (xxix) in the entries relating to item (iii) of Serial Number 1A of Part 'K', in column (3), for the words "Four per cent", the words "Eight per cent" shall be *substituted*.
- (xxx) in the entries relating to Serial Number 7 of Part 'L', in column (3), for the words "Eight per cent", the words "Four per cent" shall be *substituted*.
- (xxxi) in the entries relating to item (i) of Serial Number 14 of Part 'M', in column (3), for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (xxxii) for the entries relating to Serial Number 15 of Part 'M', the following shall be *substituted*, namely:-

"15. (i) Indian Musical Instruments
and parts and accessories
thereof. Four percent

- (ii) Musical Instruments and parts
and accessories thereof
not covered by item (i)
above. Twelve per cent”

(xxxiii) in the entries relating to Serial Number 1 of Part
‘N’, in column (3), for the words “Eight per cent”,
the words “Four per cent” shall be *substituted*.

(xxxiv) in the entries relating to Serial Number 3 of
Part ‘O’,-

- (a) for item (ii) the following shall be *substituted*,
namely.-

“(ii) Spectacles, lenses and frames
including attachments, parts and
accessories thereof. Ten per cent”

- (b) after the entries relating to item (ii) as so
substituted the following shall be *inserted*,
namely. -

“(iii) sun glasses, goggles, lenses and
frames including attachments, parts
and accessories thereof. Twelve per cent”

(xxxv) in the entries relating to Serial Number 1 of Part
‘P’, in column (3), for the words “Ten per cent”, in
the two places where they occur the words
“Twelve per cent” shall be *substituted*.

(xxxvi) after the entries relating to Serial Number 1 of
Part ‘P’, the following entries shall be *inserted*,
namely.-

“1-A. Pan masala Twenty per cent”

(xxxvii) in the entries relating to Serial Number 7 of
Part ‘P’,-

(a) in item (i), in column (3), for the words “Eight per cent”, the words “Four per cent” shall be *substituted*.

(b) in the entries relating to item (ii), in column (3), for the words “Eight per cent”, the words “Four per cent” shall be *substituted*.

(xxxviii) in the entries relating to Serial Number 3 of Part ‘S’, in column (3), for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(xxxix) for the entries relating to Serial Number 13 of Part ‘S’, the following shall be *substituted*, namely:-

“**13.** Sports goods (indoor and outdoor)
including body building equipments,
trophies, medals, shields but excluding
wearing apparels. Four per cent”

(xl) after the entries relating to Serial Number 18-A of Part ‘S’, the following shall be *inserted*, namely. -

“**18-B.** Sugar imported from outside
the country Twelve per cent”

(xli) in the entries relating to Serial Number 19 of Part ‘S’, in column (3), for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(xlii) in the entries relating to Serial Number 2 of Part ‘T’, in column (3), for the words “Eight per cent”, the words “Four per cent” shall be *substituted*.

(xliii) in the entries relating to Serial Number 5 of Part ‘T’, -

(a) in item (i), in column (3) for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(b) in item (ii) in column (3) for the words “Ten percent” the words “Eight percent” shall be substituted.

(xiv) for the entries relating to Serial Number 6 of Part ‘T’, the following shall be *substituted*, namely:-

“**6.** Telephones of every description
including cellular phones and their
parts. Four per cent”

(xiv) in the entries relating to Serial Number 7-A of Part ‘T’, in column (3), for the words “Eight per cent”, the words “Four per cent” shall be *substituted*.

(x/vi) after the entries relating to Serial Number 7-A of Part ‘T ‘ as so substituted the following shall be inserted, namely:-

“ **7-B.** Textiles and fabric imported
from outside the country. Twelve percent”

(xlvii) in the entries relating to Serial Number 8 of Part ‘ T ‘,

(a) in item (i), in column (3), for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(b) in item (ii), in column (3), for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(c) in item (iii), in column (3), for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(d) in item (iv), in column (3), for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(e) in item (v), in column (3), for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(xlvi) after the entries relating to Serial Number 9-A of Part ‘T’, the following shall be *inserted*, namely.-

“ **9-B.** Tobacco products imported from
outside the country Twelve per cent”

(xlix) in the entries relating to Serial Number 10 of Part ‘T’, in column (3), for the words “Twelve per cent”, in the two places where they occur the words “Fifteen per cent” shall be *substituted*.

(22) in the Fifth Schedule. -

(i) after the entries relating to Serial Number 2, the following shall be and shall be deemed to have been *inserted* from the First day of January 2000 and shall be deemed to have been *omitted* from the Seventh day of October 2000, namely.-

“2-A. All steel radial tyres for heavy vehicles (trucks and buses)”

(ii) in the entries relating to Serial Number 8-A as it existed prior to the First day of April, 1998, after the words “cloth in lengths”, the words and brackets “(produced or manufactured in India)” shall be and shall be deemed always to have been *inserted*;

(iii) in the entries relating to Serial Number 3, as it exists with effect from the First day of April 1998, after the words “cloth in lengths”, the words and brackets “(produced or manufactured in India)” shall be and shall be deemed always to have been *inserted*;

- (iv) for the entries relating to Serial Number 13, the following shall be *substituted*, namely.-

“13. Books printed or supplied or prescribed or written as per the Study syllabus specified by the Universities, Academies, Government recognized education boards and Councils and also including Books printed or supplied by the Government Departments.”
- (v) in the entries relating to Serial Number 31-A as it existed prior to the First day April, 1998, after the words “its products”, the words and brackets “(produced or manufactured in India)” shall be and shall be deemed always to have been *inserted*;
- (vi) in the entries relating to Serial Number 31-B as it existed prior to the First day of April, 1998, after the words “Sugar”, the words and brackets “(produced or manufactured in India)” shall be and shall be deemed always to have been *inserted*;
- (vii) in the entries relating to Serial Number 51, as it exists from the First day of April 1998, after the word “Sugar”, the words and brackets “(produced or manufactured in India)” shall be and shall be deemed always to have been *inserted*;
- (viii) in the entries relating to Serial Number 53, as it exists from the First day of April 1998, after the words “its products”, the words and brackets “(produced or manufactured in India)” shall be and shall be deemed always to have been *inserted*;
- (ix) after the entries relating to Serial Number 53, the following entries shall be and shall be deemed to have *inserted* with effect from the First day of April, 2000 and shall be and shall be deemed to have

been *omitted* with effect from the First day of April, 2001, namely.-

“53-A. Transfer of the right to use computer software.”

- (x) after the entries relating to Serial Number 58, the following entries shall be deemed to have been *inserted* with effect from the First day of April, 1986 and shall be and shall be deemed to have been *omitted* with effect from the First day of April, 1994, namely. -

“59. Ragi flour.”

(23) After the Eighth Schedule, the following shall be *inserted*, namely. -

“NINTH SCHEDULE

[See Section 5(3-CC)]

Sl.No.	Description of Goods	Rate of tax
(1)	(2)	(3)
1.	Aerated water including soft drinks whether or not flavoured or sweetened and whether or not containing vegetable or fruit juice or fruit pulp when sold under brand name in bottles, tins, cans or in any kind of sealed containers but excluding soft drink concentrates.”	Four per cent.

4. Amendment of Karnataka Act 30 of 1958. - In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958). -

(1) in Section 2, in clause (i), after sub-clause (iv), the following shall be *inserted*, namely.-

“(iv-a) any payment for any purpose whatsoever connected with an entertainment including sponsorship fee and advertisement charges, which is paid to the proprietor or any person connected with conducting or organizing such entertainment, by a person attending the entertainment which enables entry of any other person into the entertainment.”

(2) in Section 3, in sub-section (2),

- i) after the words, figure and brackets “contained in sub-section (1)”, the words, figure, letter and brackets “and sub-section (1-A)” shall be *inserted*.
- ii) after the words, figure and brackets “specified in sub-section (1)”, the words, figure, letter and brackets “and sub-section (1-A)” shall be *inserted*.
- iii) after sub-section (2), the following shall be *inserted*, namely. -

“(3) Notwithstanding anything contained in sub-section (1-A) there shall be levied and paid to the State Government on every admission made by the proprietor of an entertainment on payment as defined in sub-clause (iv-a) of clause (i) of Section 2, the entertainment tax at the rate specified in sub-section (1-A) in respect of such entertainment as if full payment had been made for admission to the entertainment according to the class of seat or accommodation which the person admitted occupies or uses; and for the purpose of this Act, the person admitted shall be deemed to have been admitted on payment.

Provided that where the admission made to an entertainment whether or not having different classes of seat or accommodation inside the place

of entertainment is wholly on payment as defined in sub-clause (iv-a) of clause (i) of Section 2, the payment made to such entertainment shall be deemed to have been made by the person or persons admitted.”

(3) in Section 4-A, in sub-section (1), after the words “local authority”, the words and brackets “(but excluding a cantonment board)” shall be *inserted*.

(4) in Section 4-B, in sub-section (1), for the words “two thousand five hundred rupees”, the words “five thousand rupees” shall be *substituted*.

(5) in Section 4-D, in the Table, in column (3),

- i) for the words “Rupees one thousand five hundred per month”, the words “Rupees three thousand rupees per month” shall be *substituted*.
- ii) for the words “Rupees one thousand per month”, the words “Rupees two thousand per month” shall be *substituted*.
- iii) for the words “Rupees seven hundred per month”, the words “Rupees one thousand five hundred per month”, shall be *substituted*.
- iv) for the words “Rupees three hundred per month”, the words “Rupees six hundred per month” shall be *substituted*.

(6) in Section 6,

- i) in sub-section (1), including the explanation after the words “complimentary ticket”, the words “or pass or invitation” shall be *inserted*.
- ii) for sub-section (3), the following shall be *substituted*, namely.-

“(3) Where the payment for admission to an entertainment is made wholly or partly by means of a lumpsum paid as a subscription or contribution or sponsorship fee or advertisement charges or by whatever name called to any institution or any other person, for a season ticket or for the right of admission to a series of entertainments or to any entertainment during a certain period of time, the entertainments tax shall be paid on the amount of the lumpsum, but where the Commissioner is of opinion that the payment of a lumpsum or any payment for a ticket represents payment for other privileges, rights or purposes besides the admission to an entertainment, or covers admission to an entertainment during any period during which tax has not been in operation, the tax shall be levied on such an amount as appears to the Commissioner to represent the right of admission to entertainments in respect of which the entertainments tax is payable.”

(7) in Section 7, after sub-section (1), the following proviso shall be and shall be deemed to have been *inserted* from the First day of April, 2000, namely.-

“Provided that for development of any recognized sport the State Government may grant exemption to a specified event of such sport.”

(8) in Section 9,

i) in sub-section (2),

a) in clause (ii), for the word “penalty”, the word “interest” shall be *substituted*.

b) in the explanation, for the word “penalty”, the word “interest” shall be *substituted*.

ii) in sub-section (3), for the word “penalty”, the word “interest” shall be *substituted*.

(9) after Section 9-AA, the following shall be *inserted*, namely.-

“9-AAA. Furnishing of return, etc..-

(1) Every owner or other person in charge of any place of entertainment who is not the proprietor of any entertainment conducted or organized in such place shall submit to the Entertainment Tax Officer having jurisdiction over the area in which the entertainment is conducted a return containing such particulars within such period as may be prescribed.

(2) If any owner or other person in charge of any place of entertainment fails to submit the return in accordance with sub-section (1), such person and the proprietor of the entertainment shall jointly and severally be liable to pay any tax or penalty or any other amount due by the proprietor of the entertainment.”

(10) for Section 10-A, the following shall be *substituted*, namely. -

“10-A. Registration of distributors, etc.-

(1) Every distributor in the State shall,

(a) get himself registered in such manner as may be prescribed;

(b) submit to the authority prescribed in this behalf,

return as may be prescribed
of all feature films sold,
supplied, distributed, rented
or hired for exhibition.

(2) The authority prescribed in this behalf, shall have the power to call for and examine the books of account or other documents in the possession of such distributors with a view to verify the correctness of the return submitted.

(3) Nothing contained in this section shall apply to any State Government or the Central Government."

(11) in Section 12,

- i) for the words "two thousand rupees" wherever they occur, the words "five thousand rupees" shall be *substituted*.
- ii) in sub-section (1), for the words "five thousand rupees", the words "ten thousand rupees" shall be *substituted*.

(12) in Section 13, for the words "two thousand rupees" in the two places where they occur, the words "five thousand rupees" shall be *substituted*.

5. Amendment of Karnataka Act 35 of 1976. - In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), in the Schedule.-

- i) in Serial Number 1, for item (e), the following shall be *substituted*, namely.-

"(e) Rs.15,000 and above Rs.200 per month."
- ii) the entries relating to item (f) shall be *omitted*.
- iii) after Serial Number 20-T, the following shall be *inserted*, namely.-

- “20-U.(a) Persons operating mobile telephone service Rs.2,500 per annum
- (b) Persons providing internet service running internet cafes, information kiosks Rs.2,500 per annum
- (c) Persons operating e-commerce business Rs.2,500 per annum
- (d) Persons operating Air taxi and helicopter services Rs.2,500 per annum
- (e) Persons running clubs including recreation clubs Rs.2,500 per annum
- (f) Persons operating Gymnasium Rs.2,500 per annum
- (g) Persons organizing events, pageants, fashion shows and the like.” Rs.2,500 per annum
- iv) in explanation 4, after the figures, hyphen and alphabet “20-T”, the figures, hyphen and alphabet “20-U” shall be *inserted*.

6. Amendment of Karnataka Act 22 of 1979. - In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979).-

(1) in Section 2,

(i) in clause (2)

- (a) for the words “in a hotel” the words “in a hotel or a marriage hall” shall be *substituted*.
- (b) for the words “by a hotel”, the words “by the proprietor of a hotel or a marriage hall” shall be *substituted*.

(ii) for clause (5-A), the following shall be *substituted*, namely.-

“(5-A) “**Luxury Tax Officer**” means an Assistant Commissioner of Commercial Taxes or Deputy Commissioner of Commercial Taxes appointed under Section 3 of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957)”

(iii) after clause (6-B), the following exception shall be *inserted*, namely.-

“**Exception.** - A handloom or power loom weaver (other than one whose establishment falls within the definition of a “Factory” under the Factories Act, 1948 (Central Act 63 of 1948)) who is in possession of stock of silk fabrics manufactured by him in Karnataka shall not be deemed to be a stockist for the purpose of this Act.”

(2) after Section 2-A, the following shall be *inserted*, namely.-

“**2-B. Jurisdiction of officers.-**

(1) The Joint Commissioners shall perform their functions in respect of such areas or of such proprietors or stockists or classes of proprietors or stockists or of such cases or classes of cases as the Commissioner may direct.

(2) The Luxury Tax Officers shall perform their functions in respect of such areas or of such proprietors or stockists or classes of proprietors

or stockists or such cases or classes of cases as the Commissioner may direct.

2-C. Change of incumbent of an office. -

Whenever in respect of any proceeding under this Act, a Luxury Tax Officer or any other officer ceases to exercise jurisdiction and is succeeded by another who has and exercises jurisdiction, the authority or officer so succeeding may continue the proceeding from the stage at which the proceeding was left by his predecessor:

Provided that the proprietor or stockist may demand that before the proceeding is so continued the previous proceedings or any part thereof be re-opened or that before any order of assessment is passed against him, he be re-heard."

(3) after Section 4-A, the following shall be inserted, namely.-

"4-AA. Declaration of charges for marriage

hall.-

- (1) Every proprietor of a marriage hall liable to pay tax under this Act, shall declare the normal rate fixed for luxury provided by him in such manner and within such period as may be prescribed.
- (2) Where luxury provided in a marriage hall to any person is not charged at all, or is charged at a concessional rate, then the tax on such luxury, shall be levied and collected as if full charges for such luxury were paid to the proprietor of the marriage hall."

(4) after Section 4-B, the following shall be *inserted*, namely.-

“4-C. Reduction in tax liability. -Where a stockist liable to pay tax under this Act, being a dealer in such goods excluding gutkha becomes liable to pay tax under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) as a result of the sale of such goods, then the amount of tax payable under the said Act shall be reduced by the amount of tax paid under this Act.”

(5) in Section 5-A, after sub-section (2), the following shall be *inserted*, namely. -

“(2-A) If default is committed in the payment of tax for any month beyond ten days whether or not a statement as required under sub-section (1) is filed; or if the amount of tax paid is less than the amount of tax payable for any month, the dealer defaulting payment of tax or making short-payment of tax shall, in addition to the tax, pay interest calculated at the rate of two per cent per month from the date of such default or short-payment to the date of payment of such tax or upto the date specified for payment of tax assessed under section 6, as the case may be.”

(6) in Section 7, the following proviso shall be *inserted*, namely. -

“Provided that no penalty shall be imposed for failure to furnish a return or pay tax on turnover of stock of luxury as required relating to Gutkha if such return is furnished or tax is paid within thirty days from the date of commencement of the Karnataka Tax on Luxuries (Amendment) Act, 2001.”

(7) in Section 8, in sub-section (1-A), in clause (ii), for the word “proprietor”, the words “proprietor or stockist” shall be

and shall be deemed to have been *inserted* with effect from the First day April 1997.

(8) for Section 13, the following shall be *substituted*, namely.-

“13. Offences and Penalties.- (1) Any proprietor or stockist who.-

- (a) is obliged to get himself registered under this Act does not get so registered; or
- (b) fails to submit a return as required by the provisions of this Act, or the Rules made thereunder; or
- (c) fails to submit a statement as required under Section 5-A; or
- (d) fails to pay within the time allowed any tax assessed on him or any penalty levied on him under this Act; or
- (e) fails to keep true and complete accounts; or
- (f) fails to issue a bill or cash memorandum in accordance with the provisions of sub-sections (2) and (3) of Section 12-B; or
- (g) fails to comply with a notice issued under sub-section (1) of Section 17,

shall on conviction be punished with a simple imprisonment for a term which may extend to six months or with fine which shall not be less than one thousand rupees which may extend to five thousand rupees or with both.

(2) Any person who.-

- (a) carries on business as a proprietor or stockist without furnishing the security demanded under sub-section (4) of Section 4-A; or
- (b) willfully submits an untrue return, or not being already an assessee under this Act, fails to submit a return as required by the provisions of this Act or the rules made thereunder; or
- (c) willfully submits an untrue statement under sub-section (1) of Section 5-A; or
- (d) fraudulently evades the payment of any tax or other amount payable by him under this Act; or
- (e) collects any amount by way of tax or purporting to be by way of tax in contravention of sub-section (1) of Section 6-A; or
- (f) prevents or obstructs inspection, entry, search or seizure by an Officer empowered under this Act; or
- (g) prevents or obstructs inspection of any vehicle or boat or goods transported otherwise or seizure of goods by an Officer-in-charge of a check post or barrier or any Officer empowered under this Act; or
- (h) dishonestly objects to or fails to comply with the terms of a notice issued to him under Section 8-A; or
- (i) willfully acts in contravention of any of the provisions of this Act or the rules made thereunder,

shall, on conviction in addition to the recovery of any tax or other amount that may be due from him, be punishable with simple imprisonment which may extend to twelve months or with a fine which shall not be less than five thousand rupees but which may extend to twenty-five thousand rupees or with both and when the offence is a continuing one, with a daily fine not exceeding two hundred rupees during the period of continuance of the offence.”

(9) in Section 17,

- ii) in the heading, for the words “search of hotels”, the words “search of hotel, etc.” shall be *inserted*.
- iii) in sub-section (1), for the words “the business of the hotel or business of the stockist”, the words “his business “ shall be *substituted*.

(10) in the Schedule,

- i) in the entries relating to Serial Number 2 as it existed prior to the Twenty third day of January 2001, in column (2), the word and punctuation mark “gutkha,” shall be and shall be deemed to have been omitted from the First day of April, 2000.
- ii) after the entries relating to Serial Number 2 as it existed prior to the Twenty third day of January 2001, the following entries shall be and shall be deemed to have been inserted from the First day of April 2000 and shall be deemed to have been

in force upto the Twenty second day of January, 2001, namely:-

“ 3. Gutkha 20 per cent.”

iii) after the entries relating to Serial Number 3, the following entries shall be *inserted*, namely. -

“4. Silk fabrics Two per cent.

5. All kinds of electronic goods imported from outside the country. Twelve per cent."

7. Amendment of Karnataka Act 27 of 1979. - In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979). -

(1) in Section 3, in sub-section (3), in clause (ii), before the words “in respect”, the words “other than Gutkha” shall be and shall be deemed to have been *inserted* with effect from the First day of April, 2000.

(2) for Section 5-B, the following shall be *substituted*, namely.-

“5-B. Self-assessment in the case of certain dealers.-

(1) Notwithstanding anything contained in sub-sections (3) and (4) of Section 5, in the case of a dealer who is eligible for self-assessment under Section 12-C of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), the assessing authority shall subject to the same conditions and exceptions specified therein, assess such dealer on the basis of return filed without requiring the presence of the dealer or the production of books of account.

(2) Notwithstanding anything contained in sub-section (1), the assessing authority shall assess under sub-section (4) of Section 5 in such cases as notified by the Commissioner under Section 12-C of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957).

(3) If on scrutiny assessment in cases falling under sub-section (2), it is found that the amount of tax paid by any dealer for any year was less than the tax payable for that year as assessed by more than fifteen per cent, the assessing authority shall direct such dealer to pay, in addition to the tax, a penalty equivalent to three times the amount of the tax so paid in short.

(4) Every assessment completed under sub-section (1) shall be subject to the provisions of Sections 6, 15 and 17.”

(3) in Section 8,

i) in sub-section (2),

a) in clause (ii), for the words “a penalty”, the word “interest” shall be *substituted*.

b) in the explanation, for the word “penalty”, the word “interest” shall be *substituted*.

ii) in sub-section (3), for the word “penalty”, wherever it occurs, the word “interest” shall be *substituted*.

(4) in Section 13, for sub-section (1), the following shall be *substituted*, namely.-

“(1) Any person objecting to an order affecting him passed under the provisions of this Act by,-

- (i) a Commercial Tax Officer, may appeal to the Deputy Commissioner; and
- (ii) an Assistant Commissioner of Commercial Taxes or a Deputy Commissioner, may appeal to the Joint Commissioner.

Provided that any appeal preferred against the orders of the Commercial Tax Officer and pending before the date of commencement of this Act shall stand transferred to the Deputy Commissioner.”

(5) in the First Schedule, for the entries relating to Serial Number 80, the following entries shall be *substituted*, namely.-

“80. Raw materials, component parts and inputs which are used in the manufacture of an inter-mediate or a finished product.”

8. Validation of assessments, etc.- Notwithstanding anything contained in any judgment, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979), (in short the said Act) before the commencement of this Act shall be and shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Act, as amended by clauses (i) and (ii) of sub-section (10) of Section 6 of this Act and accordingly.-

- (a) all acts proceedings or things taken or done by any authority in connection with the assessment, levy or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;
- (b) no suit or other proceedings shall be maintained or continued in any Court or Tribunal or before any authority for the refund of any such tax; and
- (c) no Court shall enforce any decree or order directing the refund of any such tax.

9. Validation of certain notifications.- No notification issued or purporting to have been issued under sub-section (1) or sub-section (3) of section 8A of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) (in short the said Act) with retrospective effect during the period from the First day of April 2000 and till the First day of April 2001 shall be deemed to be invalid or ever to have been invalid merely on the ground that such notification was issued with retrospective effect and accordingly every such notification and any action or thing taken or done (including collection of tax or other amount) thereunder shall be as valid and effective as if the provisions of sub-sections (1) and (3) of section 8A of the said Act as amended by sub-section (5) of section 3 of this Act were in force at all relevant times when such notification was issued or action or thing was taken or done; and

(a) no suit or proceedings shall be maintained or continued in any court, tribunal or before any authority for refund of any such tax or other amount, or

(b) no court shall enforce any decree or order directing refund of any such tax or amount.

10. Declaration.- For the removal of doubts it is hereby declared that the amendments made by the Karnataka Taxation Laws (Amendment) Act, 2000 (Karnataka Act 5 of 2000) to the Karnataka Sales Tax Act 1957 (Karnataka Act 25 of 1957) (in short 1957 Act) shall, notwithstanding anything contained in any law for the time being in force, for all purposes, be deemed to have been made after the amendments made to the 1957 Act by the Karnataka Sales Tax (Amendment) Ordinance 1999 (Karnataka Ordinance 8 of 1999) replaced by the Karnataka Sales Tax (Amendment) Act 2000 (Karnataka Act 9 of 2000) and be deemed have been incorporated in the 1957 Act.

KARNATAKA ACT NO. 5 OF 2002
THE KARNATAKA TAXATION LAWS
(AMENDMENT) Act, 2002

Arrangement of Sections

Sections:

1. Short title and commencement
2. Amendment of Karnataka Act 22 of 1957
3. Amendment of Karnataka Act 25 of 1957
4. Amendment of Karnataka Act 22 of 1979
5. Amendment of Karnataka Act 27 of 1979
6. Amendment of Act 30 of 1958
7. Validation of assessments, etc.

STATEMENT OF OBJECTS AND REASONS

It is considered necessary to amend the Karnataka Agriculture Income Tax, 1957, the Karnataka Sales Tax Act, 1957, the Karnataka Taxes on Luxuries Act, 1979, the Karnataka Taxes on Entry of Goods Act, 1979 and the Karnataka Entertainment Tax Act, 1958 to give effect to the proposal made in the Budget speech and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill.

(L.A. Bill No. 12 of 2002)

KARNATAKA ACT NO. 5 OF 2002

(First published in the Karnataka Gazette Extra-ordinary on the thirtieth day of March, 2002)

**THE KARNATAKA TAXATION LAWS
(AMENDMENT) ACT, 2002**

(Recived the assent of Governor on the thirtieth day of March, 2002)

An Act further to amend certain taxation laws as in force in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purpose hereinafter appearing:

Be it enacted by the Karnataka State Legislature in Fifty-third year of the Republic of India, as follows:-

1. Short title and commencement. - (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2002.

(2) It shall come into force with effect from the first day of April, 2002.

2. Amendment of Karnataka Act 22 of 1957. - In the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957),

(1) in Section 18, in sub-section (1), after the proviso, the following proviso shall be inserted, namely -

"Provided further that the return of agricultural income for the previous year ending on the 31st day of March, 2001, shall be filed before the expiry of Sixteen months from the end of such previous year ”.

(2) in Section 66,

(Published in the Karnataka Gazette Part IV-A Extra Ordinary No. 475 dated 30-3-2002 in Notification No. ÉâªÀaXµÖE 18 µÖÉâ}â 2002)

- (a) in sub-section (5), the words, figure and brackets “and shall continue to be in force for the next two years immediately following or until such time the extent of land holding exceeds the maximum specified in sub-section (1), whichever is earlier” shall be *omitted*.
- (b) in sub-section (6), the words “of three years” shall be *omitted*.

3. Amendment of Karnataka Act 25 of 1957. - In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957). -

- (1) in Section 2, in sub-section (1), for clause (f-1b), the following shall be *substituted*, namely.-

“ (f-1b) **Brand name** means a name or trade mark registered or pending registration or pending registration of transfer under the Trade and Merchandise Marks Act, 1958 (Central Act 43 of 1958) and includes a name or a mark such as a symbol, monogram, label, signature or invented words or any writing which is used in relation to a product, for the purpose of indicating, or so as to indicate, a connection in the course of trade between the product and a dealer whose total turnover during any year exceeds one hundred lakh rupees, using such name or mark with or without any indication of the identity of the said dealer; ”

- (2) in Section 3-A, in sub-Section (3), before the words “Joint Commissioner”, the words “Additional Commissioner or” shall be inserted;
- (3) after Section 3-C, the following section shall be *inserted*, namely.-

“ 4. Provision for clarification and advance rulings .-

- (1) The Commissioner may constitute a State level ‘Authority for Clarification and Advance Rulings’, (here in after referred to in this section as Authority) consisting of three Additional Commissioners, to clarify the rate of tax applicable under this Act in respect of any goods liable to tax under the Act or the exigibility of any transaction to tax

under the Act on an application by a dealer registered under the Act.

(2) The application shall be in such form and shall be accompanied by proof of payment of such fee, paid in such manner, as may be prescribed.

(3) An applicant may withdraw an application within thirty days from the date of application.

(4) On receipt of an application, the Authority shall cause a copy thereof to be forwarded to the assessing or registering authority concerned and call for any information or records.

(5) The Authority may, after examining the application and any records called for, by order, either, allow or reject the application.

Provided that the Authority shall not allow the application where the question raised in the application,-

(i) is already pending before any officer or authority of the Department or Appellate Tribunal or any Court;

(ii) relates to a transaction or issue which is designed apparently for the avoidance of tax.

Provided further that no application shall be rejected under this sub-Section unless an opportunity has been given to the applicant of being heard and where the application is rejected, reasons for such rejections shall be recorded in the order.

(6) A copy of every order made under sub-Section (5) shall be sent to the applicant and the officer concerned.

(7) Where an application is allowed under sub-Section (5), the Authority shall after examining such further material as may be placed before it by the applicant or obtained by the Authority, pass such order as deemed fit on the questions specified in the application, after giving an opportunity to the applicant of being heard, if he so

desires. The authority shall pass an order within four weeks of the receipt of any application and a copy of such order shall be sent to the applicant and to the officer concerned.

(8) No officer or any other authority of the Department or the Appellate Tribunal shall proceed to decide any issue in respect of which an application has been made by an applicant under this Section and is pending.

(9) The order of the Authority shall be binding only,-

(i) on the applicant who had sought clarification;

(ii) in respect of the goods or transaction in relation to which a clarification was sought; and

(iii) on all the officers other than the Commissioner.

(10) The order of the Authority under sub-section (7) shall be binding as aforesaid unless there is a change in law or facts on the basis of which the order was passed.

(11) Where the Authority on a representation made to it by any officer or otherwise finds that an order passed by it was obtained by the applicant by fraud or misrepresentation of facts, it may, by order, declare such order to be void *ab initio* and thereupon all the provisions of this Act shall apply to the applicant as if such order had never been made.

(12) A copy of the order made under sub-Section (11) shall be sent to the applicant and the Commissioner or the officer concerned."

(4) in Section 5,

(i) in sub-Section (1), for the words, "ten per cent", the words "twelve per cent" shall be *substituted*.

- (ii) in sub-Section (1-B), for the words, “ten per cent”, the words “twelve per cent” shall be *substituted*
- (iii) in sub-section (3), in clause (a), after the fifth proviso, the following shall be *inserted*, namely.-

“ Provided also that where goods are sold, under a brand name by the trade mark holder or the brand name holder or any other dealer having the right as proprietor or otherwise to use the said name or trade mark either directly or through another on his own account or on account of others, exclusively to a marketing agent or distributor or wholesaler or any other dealer, subsequent sale of such goods by the latter shall also be liable to tax under this Section and the tax so payable shall be reduced by the amount of tax already paid on the sale of such goods by the former.

(iv) sub-section (3-CC) shall be *omitted*.

(v) in sub-Section (4) the words “and only at the point”, shall be *omitted*.

(5) in Section 5-A, Explanation II shall be and shall be deemed always to have been *omitted*;

(6) for Section 5-A , the following shall be *substituted*, namely,-

“5-A.Taxation of Industrial Inputs.-(1) Notwithstanding anything contained in Section 5, the tax payable by a registered dealer, in respect of the sale of any industrial input liable to tax under the Act to another registered dealer for use by the latter as a component part or raw material or packing material of any other goods which he intends to manufacture inside the State for sale or in respect of sale of consumables liable to tax under the Act to another registered dealer for use in such manufacture, shall be at

the rate of four percent or the rate specified in Section 5, whichever is lower, on the taxable turnover relating to such sale.

Provided that where the rate of tax in respect of such industrial input as specified in Section 5 is four percent and above, the provisions of this sub-Section shall not apply, unless the dealer selling the industrial inputs furnishes to his assessing authority in the prescribed manner a declaration by the buying dealer in the prescribed form obtained from the prescribed authority or where the buying dealer's total turnover for the year ending thirty first day of March 2001 as declared in the return for such period exceeds one hundred lakhs rupees, such buying dealer shall give a declaration in such form and in such manner as may be prescribed.

Provided further that if any dealer, after purchasing any inputs, in respect of which he has furnished a declaration under the first proviso to this Sub-section fails to make use of the whole or part of such inputs in the manufacture of other goods specified in the declaration before the expiry of the accounting year immediately succeeding the one in which such inputs are purchased, either due to cessation of his manufacturing activity or for any other reason, but has not sold away such inputs, he shall be liable to pay the difference between the tax payable at the rate specified under Section 5 and the tax computed at the rate of four percent on the turnover relating to the sale of such quantity of these inputs to him as have remained unutilized with him for the declared purpose at the end of the period specified above.

(2) Notwithstanding anything contained in clause (b) of sub-Section (3) of Section 5 or Section 6, the tax payable by a registered dealer in respect of the purchase of any Industrial input liable to tax under the Act for use by him as a component part or raw material or packing material of any other goods which he intends to

manufacture inside the State for sale shall be at the rate of four percent or the rate specified in Section 5, whichever is lower, on the taxable turnover relating to such purchase.

(3) If any person :

(i) not having his manufacturing unit inside the State , purchases any inputs by furnishing a declaration under the first proviso to sub-Section (1) or pays tax on purchase of inputs under sub-Section (2); or

(ii) having his manufacturing unit inside the State and having purchased any inputs by furnishing a declaration under the first proviso to Sub-section (1) or paying tax on purchase of any inputs under sub-Section (2), sells away such inputs contrary to such declaration or condition,

the assessing authority, after giving such person a reasonable opportunity of being heard, shall, by order in writing, impose upon him by way of penalty a sum, which shall not be less than the amount of tax leviable under Section 5 on the sale of the inputs so purchased or tax leviable under clause (b) of sub-Section (3) of Section 5 or Section 6 on the inputs so purchased, but which shall not exceed one and half times the amount of such tax;

(iii) having his manufacturing unit inside the State and having purchased any inputs by furnishing a declaration under first proviso to sub-Section (1) or having paid tax on any inputs under sub-Section (2), uses such inputs contrary to such declaration or , the assessing authority, after giving such person a reasonable opportunity of being heard, shall, by order in writing, impose upon him by way of penalty a sum which shall not be less than twice the amount of tax leviable under Section 5 or 6 but not exceeding two and half times the amount of such tax on the inputs so purchased.

(4) (a) Every dealer who, during the course of the year, purchases any inputs by furnishing a declaration under the first proviso to sub-Section (1), shall maintain in the prescribed manner a regular account of the receipt and issue of such declaration forms as are received or issued by him.

(b) Every such dealer shall also submit a statement as prescribed containing particulars of such purchases in any month to the assessing authority along with the statement to be submitted under section 12-B.

(c) Every such dealer shall also maintain in the prescribed manner an account giving the opening balance, purchases, consumption and closing balance of every input, which is purchased by him by furnishing a declaration under the first proviso to sub-Section (1) or purchased by him under sub-Section (2).

(d) If any dealer fails to maintain, in the prescribed manner, true and complete accounts or submit a statement as required by clause (a) or clause (b) or clause (c) of this sub-Section, the assessing authority shall, after giving such dealer a reasonable opportunity of being heard pass an order,-

(i) disentitling such dealer from making use of any declaration forms prescribed under the first proviso to sub-Section (1) and requiring him to surrender forthwith the declaration forms already issued to him, if any or disentitling such dealer to pay tax on inputs under sub-Section (2); and

(ii) imposing upon him a penalty not below one half of the amount of tax payable but not exceeding the amount of tax leviable, under the provisions of Section 5 on the sale value of the inputs already purchased by him against prescribed declaration forms up to the date of surrender of the unused forms by him or under the provision of Section 5 or Section 6 on the purchase value of inputs already purchased by him under sub-Section (2) up to the date of disentitlement.

(e) If any dealer, in respect of whom an order has been passed under clause (d), of this sub-Section, pays the penalty and complies with other terms of such order, the assessing authority may, in his discretion, permit such dealer, to obtain the prescribed declaration forms afresh or issue the prescribed declaration forms and to make use of the same for the purchase of inputs in the State at concessional rate of tax or to pay tax under sub-Section (2) on purchase of inputs.

Explanation :

(1) For the purpose of this Section, the expressions `industrial inputs` or inputs, mean either a `Component part` or `raw material` or packing material, but do not include Cement, and inputs falling under Serial Number 12 of Part `S` and Serial Number 10 of Part `M` of the Second Schedule.

(2) The expression `component part` means an article which forms an identifiable constituent of the finished product and which along with others, goes to make up the finished product.

(3) The expression `raw material` means any material-

(a) from which another product can be made, through the process of manufacture, either by itself or in combination with other raw materials; or

(b) a processing or any other chemical solvent (including chemicals used for testing, analysis or research) used in the solvent extraction process or a catalyst required in the manufacturing process, but it does not include fuels, and consumable stores of similar type.

(4) The expression `Consumables` does not include petroleum products falling under Serial Number 11-A of Part `F`, Serial Number 12 of Part `M` and Serial Number 5 of Part `P` of Second Schedule. ”

(7) in Section 6-A, in sub-Section (2),

(i) after the proviso, the following shall be deemed and deemed to have always been *inserted* namely,-

“Provided further that, in respect of any assessments other than an assessment already completed, for the years ending Thirty First day of March, 1996 and Thirty First day of March 1997, the buying dealer may prove, in the prescribed manner, that the goods purchased have already been subjected to tax notwithstanding his failure to furnish the declaration specified. ”

(ii) the provisos shall be *omitted*.

(8) for Section 6-B, the following shall be *substituted*, namely,-

“6-B. Levy of resale tax.- Every registered dealer and every dealer who is liable to get himself registered under sub-Sections (1) and (2) of Section 10 whose total turnover in a year is not less than the turnovers specified in the said sub-Sections, shall be liable to pay tax at the rate of one and half per cent of such portion of the total turnover which is not liable to tax under Sections 5, 5-A, 5-B, 5-C or 6.

Provided that no tax under this sub-Section shall be payable on that part of such turnover which relates to,-

- (i) sale or purchase of goods specified in the Fifth Schedule;
- (ii) sale or purchase of goods in the course of interstate trade or commerce;
- (iii) sale or purchase of goods in the course of export out of the territory of India or sale or purchase in the course of import into the territory of India;
- (iv) all amounts collected by way of tax under the provisions of this Act or the Central Sales Tax Act, 1956 (Central Act 74 of 1956);
- (v) all amounts falling under the head ‘Freight’, when specified and charged for by the dealer separately without including such amounts in the price of the goods sold;

- (vi) all amounts allowed as discount, provided that such discount is allowed in accordance with the regular practice of the dealer or is in accordance with the terms of a contract or agreement entered into a particular case and provided also that the accounts show that the purchaser has paid only the sum originally charged less discount;
- (vii) (a) all amounts allowed to purchasers in respect of goods returned by them to the dealer when the goods are taxable on sales provided that the goods were returned within a period of six months from the date of delivery of the goods and the accounts show the date on which the goods were returned and the date on which and the amount for which refund was made;

(b) all amounts received from the sellers in respect of goods returned to them by the dealer, when the goods are taxable on the purchase value provided that the goods were returned within a period of six months from the date of delivery of the goods and the accounts show the date on which the goods were returned and the date on which and the amount for which refund was received;
- (viii) such amounts towards labour charges and other like charges not involving any transfer of property in goods, actually incurred in connection with the execution of works contract, or calculated at the rates prescribed;
- (ix) all amounts realized by a dealer by the sale of his business as a whole;
- (x) the total amount paid or payable by the dealer as a consideration for the purchase of any of the goods in respect of which tax is leviable at the point of sale;

- (xi) the total amount paid or payable to the dealer as a consideration for the sale of any of the goods in respect of which tax is leviable at the point of purchase;

Provided further that, save as otherwise provided in this sub-Section, no other deduction shall be made from the total turnover of a dealer for the purposes of this Section.

(2) The provisions of this Act and the rules made thereunder shall, so far as may be, apply in relation to the assessment, collection or refund of the resale tax, as they apply in relation to the assessment, collection or refund of tax under the other provisions of this Act.”

(9) Section 6-D shall be *omitted*;

(10) in Section 8-A, in clause (a) of sub-Section (5), after the words, “a sum”, the words “not less than one half but” shall be *inserted*.

(11) in Section 12, in sub-Section (4),

- (a) in clause (a), for the words, “one and a half times”, the words, “ an amount equivalent to the tax due” shall be *substituted*;

- (b) in clause (b), for the words, “one and half times”, the words “ an amount equivalent to tax but not less than one half of ” shall be *substituted*;

- (c) in clause (c), for the words, “one and a half times ”, the words, “ an amount equivalent to the tax due” shall be *substituted*;

(12) in Section 12-A, in sub-Section (1-A), for the words, “one and a half ”, the words “an amount equivalent to tax but not less than one half of” shall be *substituted*;

(13) in Section 12-B, in sub-Section (4), the words, “one and half times”, shall be *omitted*;

(14) in Section 12-C, in sub-Section (1),

(a) in clause (a),

(i) after the words "selling of goods", the words "whose total turnover in a year is not more than fifty lakh rupees, " shall be *inserted*;

(ii) after sub-clause (iv), the following shall be *inserted*, namely.-

"(v) such dealer has got his accounts audited under Section 26-A and submitted to the assessing authority a copy of the audited statement of accounts and certificates in the prescribed manner."

(b) in clause (b),

(a) for the words, "twenty-five lakhs", the words "one hundred lakhs" shall be *substituted*;

(b) after sub-clause (ii), the following shall be *inserted*, namely.-

"(iii) such dealer has got his accounts audited under Section 26-A and submitted to the assessing authority a copy of the audited statement of accounts and certificates in the prescribed manner."

(15) after Section 12-D the following shall be *inserted*, namely.-

"12-E. Re-assessment in certain cases.- (1) Where an assessee within one year from the service of a notice of demand makes an application that failure to furnish declarations prescribed under Section 5-A prevented him from claiming the concessional rate of tax on sale of inputs, the assessing authority shall cancel the assessment and proceed to re-assess such assessee to the extent of claims made under Section 5-A.

Provided that no application under this sub-section shall be entertained by the assessing authority if the tax assessed is not paid and the declarations prescribed under section 5-A are not furnished together with such application.

(2) Nothing contained in sub-section (1) shall apply to an assessment which has been made the subject – matter of an appeal under Section 20.

(3) No appeal shall lie under Section 20 against an order passed under this Section.

(4) Every order passed under this Section, shall subject to the provisions of Sections 22, 23, 24 and 25-A, be final."

(16) in Section 13, explanation to sub-Section (2) shall be renumbered as Explanation-I and after Explanation-I as so renumbered, the following Explanation shall be and shall be deemed always to have been *inserted*, namely.-

"Explanation – II. – For the purpose of this sub-Section non- payment during any period during which recovery of any tax or other amount due under the Act is stayed by an order of any authority or Court in any appeal or other proceedings disputing such tax or amount, shall be deemed to be a 'default'."

(17) in Section 17,-

(i)in sub-section (4),

(a) in clause (i), for the words " or a dealer being a woman catering food and drinks", the words " or a dealer catering food and drinks in places other than where liquor including beer is served (excluding in the premises of a club registered under the Karnataka

Societies Registration Act, 1960) or a registered club including a dealer serving food and drinks in the premises of such club" shall be *substituted*.

- (b) in clause (ii), for the words " or a dealer being a woman catering food and drinks", the words " or a dealer catering food and drinks or a registered club including a dealer serving food and drinks in such club" shall be substituted.

(ii) for sub-Section (7), the following shall be *substituted*,

namely.-

" (7) Nothing contained in sub-Section (6) shall apply to a dealer who purchases or receives goods from outside the State for the purpose of using such goods in the execution of works contract. "

- (ii) in sub-section 10, for the table, the following shall be *substituted*, namely.-

" TABLE

Sl.no	Type of draw	Rate per draw
1.	Weekly Draw	Fifteen thousand rupees
2.	Fortnightly Draw including any draw the period which is more than a week but less than a fortnight.	Forty thousand rupees
3.	Monthly Draw including monthly Bumper Draw and every draw the period of which is more than a Fortnight but less than a month.	Seventy thousand rupees

Sl.no	Type of draw	Rate per draw
4.	Special Bumper Draw or Festival Bumper Draw including any other draw not covered by any other category and any draw the period of which is more than a month.	One lakh and seventy five thousand rupees

(18) in Section 18, sub-Section (3) shall be *omitted*;

(19) in Section 18-A, for the words, “not exceeding one and a half times”, the words “not less than one half but not exceeding an amount equivalent to ” shall be substituted;

(20) in Section 20, in sub-section (5),

(i) in clause (a), after sub-clause (ia), the following shall be *inserted*, namely.-

“(ii) set-aside the assessment and direct the assessing authority to make a fresh assessment after such further enquiry as may be directed; ”

(ii) the following proviso shall be and shall be deemed to have been *inserted* with effect from the First day of April, 2001, namely.-

“ Provided that the appellate authority shall not set aside any assessment and direct the Assessing Authority to make a fresh assessment.”

(iii) for the proviso so inserted, the following proviso shall be substituted, namely.-

“ Provided that the appellate authority shall not set-aside any assessment for not more than one time and, such fresh assessment shall be completed within a period of ninety days from the date of receipt of records after such remand. ”

(21) in Section 21, the proviso to sub-Section (2) shall be *omitted*;

(22) in Section 22,

(i) sub-Section (3-A), shall be omitted.

(ii) in sub-Section (5), after the proviso, the following shall be *inserted*, namely.-

“Provided further that the Appellate Tribunal may, in case of any appeal against an order passed by the Deputy Commissioner or Joint Commissioner under Section 20, in its discretion, stay payment of one half of tax, if the appellant makes payment of the other half of the tax disputed:

Provided also that the Appellate Tribunal shall dispose of such appeal falling under second proviso within a period of one hundred eighty days from the date of the order staying proceedings of recovery of one half of tax and, if such appeal is not so disposed of within the period specified, the order of stay shall stand vacated after the said period. ”

(23) In section 24 in sub-section (1), after the words, figures and letter "under section 22A" the words and figure " or a dealer aggrieved by the order of the Authority under section 4 " shall be inserted.

(24) in Section 28, in sub-section (3-A), in clause (iv).-

(i) for the words and punctuation marks “ levy a penalty, which .- ”, the words “ levy a penalty which shall not be less than double the amount of tax leviable and not exceeding three times the amount of tax leviable in respect of the goods stocked. ” shall be *substituted*;

(ii) sub-clauses (a) and (b) excluding the proviso shall be *omitted*.

(25) in Section 28-A,

(i) in sub-section (2) the following proviso shall be *inserted*, namely,-

“ Provided that where the seller’s total turnover for the year ending Thirty first day of March 2001 as declared in the return for such period is not less than fifty lakh rupees, or where the goods are carried within the limits of a local authority or an industrial area not as a result of sale, the delivery note shall be the one in the prescribed form permitted to be so issued by him.”

(ii) in sub-Section (4), for the words, “levy a penalty which shall not be less than double the amount of tax leviable and not exceeding three times the amount of tax leviable in respect of goods under transport ”, the following shall be *substituted*, namely.-

“ levy a penalty, which, -

(a) shall not be less than the amount of tax leviable but shall not exceed one and half of the amount of tax leviable in respect of the goods under transport in contravention of clause (e) of sub-section (2), if a dealer registered under the Act accepts that he is the consignor or consignee of the goods,

(b) in cases other than those falling under clause (a), shall not be less than double the amount of tax leviable but shall not exceed three times the amount of tax leviable in respect of the goods under transport . ”

(iii) in sub-section (7), for clause (a) including the proviso, the following shall be *substituted* namely,

“ (a) The person aggrieved by the levy of penalty under this section may, appeal within thirty days from

the date on which the notice of penalty was served on the person, -

- (i) to the Appellate Joint Commissioner of Commercial Taxes of the area, if the levy made is by a Deputy Commissioner of Commercial Taxes or by an Assistant Commissioner of Commercial Taxes; and
- (ii) in other cases to the Appellate Deputy Commissioner of the area concerned.

Provided that where the person aggrieved is a dealer registered under the Act, such person may appeal to the appropriate appellate authority of the area in which he is registered.

Provided further that where an order staying proceedings of recovery of any penalty levied is made in any order relating to an appeal, the Appellate Authority shall dispose of such appeal within a period of ninety days from the date of such order and, if such appeal is not so disposed of within the said specified period, the order of stay shall stand vacated after the expiry of the said period.

Provided also that where an appeal made to the Appellate Joint Commissioner under this clause prior to the date of the Karnataka Taxation Laws (Amendment) Act, 2002 in respect of any matter for which an appeal lies to the Deputy Commissioner after such date is pending on such date it shall stand transferred to the concerned Appellate Deputy Commissioner who shall dispose of the same as if such appeal was made to him.”

(26) for Section 28-B, the following shall be *substituted*, namely.-

“ 28-B. Transporter, etc., to furnish information.- (1)

Every person or a clearing or forwarding house or agency, transporting agency, shipping agency, shipping out agency or steamer agency or air-cargo agency or courier agency engaged in the business of transporting taxable goods in the State shall furnish to any officer empowered under sub-section (3) of Section 28-A, the particulars of all taxable goods, cleared, forwarded, transported or shipped by it or him for any period, in the area of jurisdiction of such officer.

- (2)** The empowered officer shall have the power to call for and examine the books of accounts or other documents in the possession of such person or agency with a view to verify the correctness of any information furnished."

(27) in Section 29,

(i) in sub-section (1), for the words, letter and brackets "be liable in case of contravention referred to in clause (c) to a simple imprisonment for a period of not less than six months but which may extend to one year where the amount of tax assessed or penalty levied is not less than ten lakh rupees and where the amount of tax assessed or penalty levied is less than ten lakh rupees, to a simple imprisonment for a period of not less than six months but which may extend to one year or with fine of not less than rupees five thousand but which may extend to rupees ten thousand and or both and in other cases liable to fine which shall not be less than five hundred rupees but which may extend to five thousand rupees. ", the following shall be *substituted*, namely, -

"(i) in case of contravention referred to in clause (c) to a simple imprisonment for a period of not less than six months but which may extend to one year, where the

amount of tax assessed or penalty levied is not less than ten lakh rupees".

(ii) in case of contravention referred to in clause (c) and where the amount of tax assessed or penalty levied is less than ten lakh rupees, to a simple imprisonment for a period of not less than six months but which may extend to one year or with fine of not less than rupees five thousand but which may extend to rupees ten thousand and or both, and

(iii) in other cases to fine which shall not be less than five hundred rupees but which may extend to five thousand rupees.

(ii) in sub-section (2), for clause (aa), the following clause shall be substituted, namely:-

"(aa) is required to furnish information under section 28-B fails to furnish such information."

(28) in section 30, in sub-Section (1), after the words "punishable under", the words, figure and brackets "clause (i) of sub-Section (1) or " shall be *inserted*.

(29) in the Second Schedule,

(i) in Part 'A',

(a) in the entries relating to serial number 1, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(b) in the entries relating to serial number 2, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(c) in the entries relating to serial number 4, in column 3, for the words "Fifteen per cent", the words "Twenty per cent" shall be *substituted*.

(d) in serial number 5,

(i) in the entries relating to item (i), in column 3, for the words "Ten per cent", the words "Four per cent" shall be *substituted*.

(ii) in the entries relating to item (ii), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(iii) in the entries relating to item (iii), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(iv) in the entries relating to item (iv), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(v) in the entries relating to item (v), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(vi) in the entries relating to item (vi), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(vii) in the entries relating to item (vii), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(e) in the entries relating to serial number 5-A, in column 3, for the words "Two per cent", the words "Four per cent" shall be *substituted*.

(f) in the entries relating to serial number 8, in column 3, for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(g) in the entries relating to serial number 9, in column 3, for the words "Fifteen per cent", the words "Twenty per cent" shall be *substituted*.

(ii) in Part 'B',

(a) in the entries relating to serial number 2, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(b) in the entries relating to serial number 4, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(c) in the entries relating to serial number 6, in column 3, for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(d) in serial number 8,

(i) in the entries relating to item (i), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(ii) in the entries relating to item (ii), in column 3, for the words "Four per cent", the words "Eight per cent" shall be *substituted*.

(iii) in the entries relating to item (iii), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(e) in serial number 10,

(i) in the entries relating to item (i), in column 3, for the words "Four per cent", the words "Eight per cent" shall be *substituted*.

(ii) in the entries relating to item (ii), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(f) in the entries relating to serial number 12, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(iii) in Part 'C',

- (a) in the entries relating to serial number 3, in column 3, for the words "Fifteen per cent", the words "Twenty per cent" shall be *substituted*.
- (b) in serial number 5, in the entries relating to item (i), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.
- (c) in the entries relating to serial number 6, in column 3, for the words "Eight per cent", the words "Four per cent" shall be *substituted*.
- (d) in serial number 7, in the entries relating to item (ii), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (e) in the entries relating to serial number 8-A, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (f) in the entries relating to serial number 9, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.
- (g) in the entries relating to serial number 12, in column 3, for the words "Eight per cent", the words "Four per cent" shall be *substituted*.
- (h) in the entries relating to serial number 13, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (i) in the entries relating to serial number 14, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.
- (j) in the entries relating to serial number 15, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(k) in the entries relating to serial number 15-A, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(l) in the entries relating to serial number 16, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(m) in the entries relating to serial number 17, in column 3, for the words "Ten per cent", the words "Four per cent" shall be *substituted*.

(n) in the entries relating to serial number 17-A, in column 3, for the words "Fifteen per cent", the words "Twenty per cent" shall be *substituted*.

(o) in serial number 18,

(i) in the entries relating to item (ii), in column 3, for the words "Ten per cent", the words "Eight per cent" shall be *substituted*.

(ii) in the entries relating to item (iii), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(iii) in the entries relating to item (iv), in column 3, for the words "Ten per cent", the words "Four per cent" shall be *substituted*.

(p) in the entries relating to serial number 19, in item (ii), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(q) in serial number 20,

(i) in the entries relating to item (ii), in column 3, for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(ii) in the entries relating to item (iii), in column 3, for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(iii) in the entries relating to item (iv), in column 3, for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(r) in serial number 21,

(i) in the entries relating to item (i), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(ii) in the entries relating to item (ii), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(s) in the entries relating to serial number 22-A, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(t) in serial number 23,

(i) in the entries relating to item (i), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(ii) in the entries relating to item (ii), in column 3, for the words "Four per cent", the words "Eight per cent" shall be *substituted*.

(iii) in the entries relating to item (iii), in column 3, for the words "Ten per cent", the words "Four per cent" shall be *substituted*.

(iv) in the entries relating to item (iv), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(u) in serial number 26,

(i) in the entries relating to item (i), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(ii) in the entries relating to item (ii), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(iv) in Part ‘D’,

(a) in serial number 1, in Column (3) for the words “ Ten per cent ”, the words “ Twelve per cent ” shall be *substituted*.

(b) in serial number 2, in Column (3) for the words “ Ten per cent ”, the words “ Twelve per cent ” shall be *substituted*.

(c) in serial number 3, in Column (3) for the words “ Ten per cent ”, the words “ Twelve per cent ” shall be *substituted*

(d) in serial number 4, in Column (3) for the words “ Twelve per cent ”, the words “ Fifteen per cent ” shall be *substituted*.

(e) in serial number 6, in Column (3) for the words “ Ten per cent ”, the words “ Twelve per cent ” shall be *substituted*.

(iii) in Part ‘E’,

(a) serial number 2,

(i) in the entries relating to item (i), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(ii) in the entries relating to item (iv), in column 3, for the words “Eight per cent”, the words “Twelve per cent” shall be *substituted*.

(iii) in the entries relating to item (v), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(iv) in the entries relating to item (vi), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(b) in the entries relating to serial number 3, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(c) in the entries relating to serial number 4, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(iv) in Part 'F',

(a) in the entries relating to serial number 1, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(b) in the entries relating to serial number 3, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(c) in the entries relating to serial number 5, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(d) in the entries relating to serial number 6, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(e) in serial number 7, in the entries relating to item (i), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(f) in serial number 8,

(i) in the entries relating to item (i), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(ii) in the entries relating to item (ii), in column 3, for the words "Eight per cent", the words "Fifteen per cent" shall be *substituted*.

(iii) in the entries relating to item (iii), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(iv) in item (v), , in the entries relating to in sub-item (a), in column 3, for the words “Ten per cent”, the words “twelve per cent” shall be *substituted*.

(v) in the entries relating to in item (vi), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(vi) in the entries relating to in item (vii), in column 3, for the words “Four per cent”, the words “Eight per cent” shall be *substituted*.

(g) in the entries relating to serial number 9, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(h) in the entries relating to serial number 10, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(i) in the entries relating to serial number 11, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(j) in the entries relating to serial number 11-A, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(k) in serial number 12,

(i) in the entries relating to item (i), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(ii) in the entries relating to item (ii), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(l) in the entries relating to serial number 13, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(m) in the entries relating to serial number 14, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(v) in Part 'G',

(a) in the entries relating to serial number 1, in column 3, for the words "Ten per cent", the words "Eight per cent" shall be *substituted*.

(b) in the entries relating to serial number 2, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(c) in the entries relating to serial number 3, in column 3, for the words "Ten per cent", the words "Eight per cent" shall be *substitute*.

(d) in the entries relating to serial number 5, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(e) in the entries relating to serial number 6, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(viii) in Part "H",

(a) in serial number 1,

(i) in the entries relating to item (i), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*

(ii) in the entries relating to item (ii), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(iii) in the entries relating to item (iii), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(iv) in the entries relating to in item (iv), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(b) in the entries relating to serial number 1-A, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(c) in the entries relating to serial number 2, in column 3, for the words “Four per cent”, the words “Eight per cent” shall be *substituted*.

(ix) in Part ‘I’,

(a) in the entries relating to serial number 1, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(b) in the entries relating to serial number 3, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(c) in the entries relating to serial number 4, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(d) in serial number 6,

(i) in the entries relating to item (i), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(ii) in the entries relating to item (ii), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(x) in Part-J, in Serial Number 3, in Column 3 for the words “ Ten per cent ”, the words “ Twelve per cent ” shall be *substituted*.

(xi) in Part ‘K’,

(a) in the entries relating to serial number 1, in column 3, for the words “Ten per cent”, the words “Fifteen per cent” shall be *substituted*.

(b) in serial number 1-A,

(i) in the entries relating to item (i), in column 3, for the words “Four per cent”, the words “Eight per cent” shall be *substituted*.

(ii) in the entries relating to item (ii), in column 3, for the words “Four per cent”, the words “Eight per cent” shall be *substituted*.

(c) in the entries relating to serial number 2, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(d) in the entries relating to serial number 3, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(xii) in Part ‘L’

(a) in the entries relating to serial number 1, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(b) in the entries relating to serial number 3, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(c) in the entries relating to serial number 4, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(d) in the entries relating to Serial Number 7, in column 3, for the words "Four per cent", the words "Twenty per cent" shall be *substituted*.

(xiii) in Part 'M'

(a) in serial number 1,

(i) in item (i), in the entries relating to sub-item (b), in column 3, for the words "Eight per cent", the words "Twelve per cent" shall be substituted.

(ii) in item (ii), in the entries relating to sub-item (b), in column 3, for the words "Eight per cent", the words "Four per cent" shall be deemed to have been *substituted* with effect from the first day of April 2001 .

(iii) in item (iii), in the entries relating to sub-item (a), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(iv) in item (iii), in the entries relating to sub-item (c), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(v) in item (iii), in the entries relating to sub-item (d), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(b) in the entries relating to Serial Number 4, in column 3, for the words "Fifteen per cent", the words "Twenty per cent" shall be *substituted*.

(c) in the entries relating to serial number 5, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(d) in the entries relating to serial number 6, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

- (e) in the entries relating to serial number 7, in column 3, for the words "Ten per cent", the words "Four per cent" shall be *substituted*.
- (f) in the entries relating to serial number 7-A, in column 3, for the words "Ten per cent", the words "Four per cent" shall be *substituted*.
- (g) in the entries relating to serial number 9, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.
- (h) in the entries relating to serial number 10, in column 3, for the words "Twenty per cent", the words "Twenty-five per cent" shall be *substituted*.
- (i) in the entries relating to serial number 11, in column 3, for the words "Eight per cent", the words "Twelve per cent" shall be *substituted*.
- (j) in serial number 12,
 - (i) in the entries relating to item (i), in column 3, for the words "Twenty two per cent", the words "Thirty per cent" shall be *substituted*.
 - (ii) in the entries relating to item (ii), in column 3, for the words "Fifteen and half per cent", the words "Twenty five per cent" shall be *substituted*.
- (k) in serial number 14,
 - (i) in the entries relating to item (ii), in column 3, for the words "Eight per cent", the words "Twelve per cent" shall be *substituted*.
 - (ii) in the entries relating to item (iii), in column 3, for the words
 "Ten per cent", the words "Twelve per cent"
 shall be *substituted*.
- (l) in serial number 15,

- (i) in the entries relating to item (i), in column 2, for the words “Indian Musical Instruments and parts and accessories thereof”, the words “Indian Musical Instruments namely ‘Veena, Violin, Tambura, Mridanga, Ghatam, Khanjira, Flute, Sitar, Sarod, Santoor, Dilruba, Nadaswara, Dolu, Tabla, Shehnai, Pakwaz, Vichitra Veena, Gotu Vadyam, Morsing, Chande, Triangle, Rudraveena and Sarangi, and parts and accessories thereof ” shall be *substituted*.
 - (ii) in the entries relating to item (ii), in column 3, for the words
“Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.
- (xiv) in Part ‘O’ ,
 - (a) in the entries relating to serial number 1-A, in column 3, for the words “Ten per cent”, the words “Four per cent” shall be *substituted*.
 - (b) in the entries relating to serial number 2, in column 3, for the words “Twenty per cent”, the words “Twenty five per cent” shall be *substituted*.
 - (c) in serial number 3,
 - (i) in the entries relating to item (i), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.
 - (ii) in the entries relating to item (ii), in column 3, for the words
“Ten per cent”, the words “Twelve per cent” shall be *substituted*.
- (xv) in Part ‘P’,
 - (a) in serial number 1,

- (i) in the entries relating to item (i), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.
- (ii) in the entries relating to item (ii), in column 3, for the words
"Twelve per cent", the words "fifteen per cent" shall be *substituted*.
- (b) in the entries relating to serial number 1-A, in column 3, for the words "Twenty per cent", the words "Twenty five per cent" shall be *substituted*.
- (c) in the entries relating to serial number 4, in column 3, for the words "Eight per cent", the words "Twelve per cent" shall be *substituted*.
- (d) in serial number 5,
 - (i) in the entries relating to item (i), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.
 - (ii) in the entries relating to item (ii), in column 3, for the words
"Twelve per cent", the words "fifteen per cent" shall be *substituted*.
 - (iii) in the entries relating to item (iii), in column 3, for the words
"Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (e) in the entries relating to serial number 6, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (f) in serial number 7, in the entries relating to item (iii) , in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

- (g) in the entries relating to serial number 8, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (h) in the entries relating to serial number 10, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (i) in serial number 12,
 - (i) in the entries relating to item (i), in column 3, for the words "Eight per cent", the words "Four per cent" shall be *substituted*.
 - (ii) in the entries relating to item (ii), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
 - (iii) in the entries relating to item (iii), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (xvi) in Part 'R',
 - (a) in the entries relating to serial number 2, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
 - (b) in the entries relating to serial number 4, in column 3, for the words "Ten per cent", the words "Fifteen per cent" shall be *substituted*.
 - (c) in the entries relating to serial number 5, in column 3, for the words "Four per cent", the words "Eight per cent" shall be *substituted*.
 - (d) in the entries relating to serial number 5-A, in column 3, for the words "Ten per cent", the words "Four per cent" shall be *substituted*.

- (e) in serial number 6, in the entries relating to item (i), in column 3, for the words "Fifteen per cent", the words "Twenty per cent" shall be *substituted*.
- (f) in the entries relating to serial number 8, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (g) in serial number 9,
 - (i) in the entries relating to item (i), in column 3, for the words
 "Ten per cent", the words "Twelve per cent" shall be *substituted*.
 - (ii) in the entries relating to item (ii), in column 3, for the words
 "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (h) in serial number 10,
 - (i) in the entries relating to item (i), in column 3, for the words "Eight per cent", the words "Twelve per cent" shall be *substituted*.
 - (ii) in the entries relating to item (ii), in column 3, for the words
 "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.
 - (iii) in the entries relating to item (iii), in column 3, for the words
 "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.
 - (iv) in the entries relating to item (iv), in column 3, for the words

“Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

- (i) in the entries relating to serial number 11, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.
- (j) in the entries relating to serial number 12, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.
- (xvii) in Part ‘S’,
 - (a) in the entries relating to serial number 2, in column 3, for the words “Twelve per cent”, the words “Four per cent” shall be *substituted*.
 - (b) in the entries relating to serial number 3, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.
 - (c) in the entries relating to serial number 4, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.
 - (d) in the entries relating to serial number 5, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.
 - (e) in the entries relating to serial number 5-A, in column 3, for the words “Eight per cent”, the words “Four per cent” shall be *substituted*.
 - (f) in the entries relating to serial number 7, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.
 - (g) in serial number 9,
 - (i) in the entries relating to item (i), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

- (ii) in the entries relating to item (ii), in column 3, for the words

“Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

- (iii) in the entries relating to item (iii), in column 3, for the words

“Ten per cent”, the words “Twelve per cent” shall be *substituted*.

- (iv) in the entries relating to item (iv), in column 3, for the words

“Ten per cent”, the words “Twelve per cent” shall be *substituted*.

- (h) in serial number 15,

- (i) in the entries relating to item (i), in column 3, for the words “Eight per cent”, the words “Twelve per cent” shall be *substituted*.

- (ii) in the entries relating to item (i-a), in column 3, for the words

“Eight per cent”, the words “Twelve per cent” shall be *substituted*.

- (iii) in the entries relating to item (ii), in column 3, for the words

“Eight per cent”, the words “Twelve per cent” shall be *substituted*.

- (iv) in the entries relating to item (ii-a), in column 3, for the words

“Eight per cent”, the words “Twelve per cent” shall be *substituted*.

- (i) in the entries relating to serial number 15-A, in column 3, for the words “Eight per cent”, the words “Twelve per cent” shall be *substituted*.

(j) in serial number 17, in item (i), in the entries relating to sub-items(a),(b)and (c), in column 3, for the words “Twelve per cent”, the words “Twenty per cent” shall be *substituted*.

(k) in the entries relating to serial number 18, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(l) in the entries relating to serial number 18-A, in column 3, for the words “Eight per cent”, the words “Four per cent” shall be *substituted*.

(m) in the entries relating to serial number 18-B, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(n) in the entries relating to serial number 19, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(o) in the entries relating to serial number 21, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(p) in the entries relating to serial number 22, in column 3, for the words “Four per cent”, the words “Eight per cent” shall be *substituted*.

(q) in the entries relating to serial number 24, in column 3, for the

words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.

(xviii) in Part ‘T’,

(a) in the entries relating to serial number 1-A, in column 3, for the words “Eight per cent”, the words “Twelve per cent” shall be *substituted*.

(b) in the entries relating to serial number 3, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(c) in serial number 5,

(i) in the entries relating to item (i), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(ii) in the entries relating to item (ii), in column 3, for the words "Eight per cent", the words "Twelve per cent" shall be *substituted*.

(d) in the entries relating to serial number 6-A, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(e) in the entries relating to serial number 7, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(f) in the entries relating to serial number 7-A, in column 3, for the words "Four per cent", the words "Eight per cent" shall be *substituted*.

(g) in the entries relating to serial number 7-B, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(h) in serial number 8,

(i) in the entries relating to item (i), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(ii) in the entries relating to item (ii), in column 3, for the words

"Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

- (iii) in the entries relating to item (iv), in column 3, for the words
 “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.
- (iv) in the entries relating to item (v), in column 3, for the words
 “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.
- (v) in the entries relating to item (vi), in column 3, for the words
 “Eight per cent”, the words “Four per cent” shall be *substituted*.
- (i) in the entries relating to serial number 9-A, in column 3, for the words “Twenty per cent”, the words “Twenty Five per cent” shall be *substituted*.
- (j) in the entries relating to serial number 9-B, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted*.
- (k) in serial number 10,
 - (i) in the entries relating to item (i), in column 3, for the words “Fifteen per cent”, the words “Twenty per cent” shall be *substituted*.
 - (ii) in the entries relating to item (ii), in column 3, for the words “Fifteen per cent”, the words “Twenty per cent” shall be *substituted*.
- (l) in the entries relating to serial number 10-A, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

- (m) in serial number 10-B, in the entries relating to item (ii), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

(xix) in Part 'V',

- (a) in the entries relating to serial number 1, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (b) in the entries relating to serial number 2, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(xx) in Part 'W',

- (a) in the entries relating to serial number 3, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.
- (b) in the entries relating to serial number 4, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (c) in the entries relating to serial number 4-A, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (d) in the entries relating to serial number 5, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (e) in serial number 6,
 - (i) in the entries relating to item (i), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.
 - (ii) in the entries relating to item (ii), in column 3, for the words
 "Twelve per cent", the words "Fifteen per cent" shall be *substituted*.

- (f) in the entries relating to serial number 7, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (g) in the entries relating to serial number 8, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (xxi) in Part 'X', in the entries relating to serial number 1, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.
- (30) in the third Schedule,
- (a) in the entries relating to serial number 1, in column 3, for the words "Ten per cent", the words "Four per cent" shall be *substituted*.
- (b) in serial number 6, in the entries relating to item (ii), in column 3, for the words "Four per cent", the words "Eight per cent" shall be *substituted*.
- (31) in the Fourth Schedule,
- (a) in the heading, the words "a single point" shall be *omitted*.
- (b) after the entries relating to Serial Number 1, the following entries shall be *inserted*, namely :-
- | | |
|--|------|
| " 1-A. Aviation Turbine Fuel sold to a | |
| Turbo - Prop Aircraft | 4% " |
- (c) in the entries relating to Serial Number 2, in item (a), in sub-item (i), for the words " pig iron and ", the words " pig iron, sponge iron and " shall be and shall be deemed to have been *substituted* with effect from the First day of April, 2001.
- (d) explanations II and III shall be omitted.
- (e) after explanation IV-A, the following explanation shall be and shall be deemed to

have been *inserted* with effect from the First day of April, 2001, namely.-

“ **Explanation V.** - For the purpose of Serial Number 1-A, “ Turbo-Prop Aircraft ” means an aircraft deriving thrust, mainly from propeller, which may be driven by either turbine engine or piston engine. ”

(32) in the fifth Schedule the entries relating to serial numbers 3, 51 and 53 shall be *omitted*

(33) in the sixth Schedule, in column 3, for the words “Ten per cent”, wherever they occur, the words “Twelve per cent” shall be *substituted*.

(34) ninth Schedule shall be *omitted*.

4. Amendment of Karnataka Act 22 of 1979. - In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979).-

(i) in section 4-B, in sub-section (3), for clause (iii), the following clause shall be and shall be deemed to have been *substituted* with effect from the First day of April, 2000,namely.-

“(iii) other than relating to gutka on which tax under the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979) has been levied or has become leviable.”

(ii) in the Schedule, for the entries relating to Serial Number 5, the following entries shall be and shall be deemed to have been *substituted*, with effect from the First day of April, 2001, namely.-

“5. Electronic goods imported from outside the country namely.-

i) Television sets

- ii) Telephones of every description including cellular phones
 - iii) Audio and Video cassette / disks players and recorders
 - iv) Photographic and video cameras
 - v) Music and home theatre systems; speakers
 - vi) Electronic toys and games
 - vii) Electronic clocks, time pieces and watches
 - viii) Electronic calculators
 - ix) Digital diaries
 - x) Musical instruments. Twelve percent "
- (iii) after the Schedule, the following explanation shall be and shall be deemed to have been *inserted*, with effect from the First day of April, 2001, namely.-

“ **Explanation.-** Where the rate of tax payable on any electronic goods by a stockist, under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) is lower than the rate of tax payable on the said goods under this Act, then the rate of tax payable under this Act shall be at such lower rate. ”

5. Amendment of Karnataka Act 27 of 1979.- In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), in Section 18-A, in sub-section (3), for the words “penalty not exceeding double the amount of tax leviable under this Act in respect of the goods under transport”, the following shall be substituted, namely,

“a penalty, which, -

(a) shall not be less than the amount of tax leviable but shall not exceed one and half of the amount of tax leviable in respect of the goods under transport in contravention of clause (e) of sub-section (2) of Section 28-A of the Sales Tax

Act, if a dealer registered under this Act accepts that he is the consignor or consignee of the goods,

(b) in cases other than those falling under clause (a), shall not be less than double the amount of tax leviable but shall not exceed two and half times the amount of tax leviable in respect of the goods under transport . ”

6. Amendment of Act 30 of 1958,- In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in section 2,

(a) clause (ba) shall be renumbered as clause (bb) and before clause (bb) as so renumbered, the following clause shall be inserted, namely:-

" (ba) " Amusement " means any amusement for which persons are required to make payment for admission to any amusement arcade or amusement park or theme park or by whatever name called."

(b) in clause (e),

(i) in sub-clause (iii) after the words " any amusement" the words " or recreation or any entertainment provided by a multi system operator" shall be inserted.

(ii) in the explanation, the words " billiards, snooker" shall be omitted.

(iii) after clause (g), the following shall be inserted, namely:-

" (gg) " Multi System Operator" means person engaged in the business of receiving and distributing satellite television signals, communication network, including production and transmission of programmes and packages."

(iv) in clause (i), in sub-clause (iv-a), for the words "by a person attending the entertainment which enables entry of

any other person in to the entertainment ", the words "with a view to promote goodwill, brand name or any business interest directly or indirectly which enables entry of any person into the entertainment" shall be *substituted*.

(v) after clause (k), the following shall be inserted, namely:-

" (l) " Recreation parlour" means any place where a game such as bowling, billiards, snooker or the like by whatever name called is provided, for which persons are required to make payment for admission or participation. "

(2) in section 3,

(i) in sub-section (1), for the figures "80", the figures " 70" shall be substituted.

(ii) in sub-section (1A), in the table, in serial number (a), for the words "one hundred rupees" the words " two hundred and fifty rupees" shall be substituted;

(3) in section 3C, in sub-section (1), after clause (a),

(i) the following proviso shall be deemed to have been inserted with effect from the First day of April, 1996, namely:-

" Provided that in case of a Kannada Film which is remake of a film of other language, which has secured a Censor Certificate from the Central Board of Film Certification on or before 31st day of March, 2002, no tax shall be levied under section 3 up to 31st day of March, 2002."

(ii) after the proviso as so inserted, the following proviso shall be inserted, namely:-

" Provided further that tax at the rate of seventy-five per cent of the tax payable under section 3 shall be levied from 1st day of April, 2002 on a Kannada film which is a remake of a film of other language and which has secured a Censor Certificate from the Central Board of Film Certification.

(4) in Section 4-AA, in the table, in the entries relating to serial number (a), in column (3), for the words " one rupee", the words "one Rupee fifty paise " shall be substituted.

(5) in section 4B, in sub-section (1), for the words, " at the rate of five thousand rupees per month " the words " at the following rates " shall be substituted, namely:-

1	2	3
(i)	Within the limits of City Municipal Corporations constituted under the Karnataka Municipal Corporations Act, 1976 and Cantonment Boards	Rs.15,000/- per month
(ii)	Within the limits of All Municipal Councils constituted under the Karnataka Municipalities Act, 1964	Rs.7,500/- per month
(iii)	Places other than (I) and (ii) above	Rs.5,000/- per month

(6) after section 4D, the following sections shall be *inserted*, namely:-

" 4E. **Tax on amusement-** There shall be levied and collected a tax calculated at the rate of twenty per cent on each payment for admission to an amusement. The tax so levied shall be paid by the proprietor.

4F. **Tax on recreation parlours-** There shall be levied and collected a tax calculated at the rate of twenty per cent on each payment for admission to

recreation parlour. The tax so levied shall be paid by the proprietor.

4G. Tax on Multi System Operator- Notwithstanding anything contained in sections 4C and 4D, there shall be levied and collected a tax at the rate of ten percent on the amounts received by a Multi System Operator towards distributing satellite television signals, communication network, including production and transmission of programmes and packages. "

(7) in section 6A, in sub-section (3) for the words, figure and letter " and 4D" the words, figures and letters " 4D, 4E, 4F and 4G " shall be *substituted*.

(8) in section 6B, in sub-section (1),

- (i) in clause (i), for the words, letter and figure " and section 4D" the words, letters and figures " Section 4D, section 4E and section 4F " shall be substituted.
- (ii) after clause (ii), the following clause shall be *inserted*, namely:
 " (ii-a) any tax payable under section 4G has escaped assessment to tax ;"
- (iii) in clause (iii), for the words, letter and figure " and section 4D, " the words, figures and letters "or section 4D or section 4E or section 4F or section 4G" shall be *substituted*.
- (iv) in the last paragraph, after the words, figure and letter " or section 4D", the words, letters and figures " or section 4E or section 4F or section G" shall be *inserted*.

(9) in section 10, in sub-section (1), clauses (a) and (aa) shall respectively be renumbered as clauses (aa) and (aaa) and before clause (aa) as so

renumbered, the following clause shall be *inserted*, namely:-

" (a) officer empowered by the State Government or by the Commissioner in this behalf, may for the purpose of this Act, require any proprietor to produce before him the accounts and other documents and also to furnish any information relating to his business."

(10) in section 12,

- (i) in sub-section (1), for the words " which shall not be less than five thousand rupees but which may extend to ten thousand rupees" the words " which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year" shall be *substituted*.
- (ii) in sub-section (1A), for the words " which shall not be less than five thousand rupees but which may extend to ten thousand rupees" the words " which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year" shall be *substituted*.
- (iii) in sub-section (1B), for the words " which shall not be less than five thousand rupees but which may extend to ten thousand rupees" the words " which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year" shall be *substituted*.

- (iv) in sub-section (1C), for the words " which may extend to five thousand rupees" the words " which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year" shall be *substituted*.

(11) in section 13,

- (i) in clause (a), for the words " not exceeding five thousand rupees or double the amount of tax payable, whichever is greater" the words " not less than ten thousand rupees for the first offence and not less than fifteen thousand rupees for any second or subsequent offence during the financial year but not exceeding the double the amount of tax whichever is greater " shall be *substituted*.
- (ii) in clause (b), for the words " not exceeding five thousand rupees " the words " not less than ten thousand rupees for the first offence and not less than fifteen thousand rupees for any second or subsequent offence during the financial year " shall be *substituted*.

7. Validation of assessments, etc.- (1)

Notwithstanding anything contained in any judgment, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the

provisions of the Karnataka Sales Tax, 1957 (Karnataka Act 25 of 1957), (hereinafter referred to as the said Act) before the commencement of the Karnataka Taxation Laws (Amendment) Act, 2001 (hereinafter referred to as the Amendment Act) shall be and shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Act, as amended by sub-clauses (vi) and (vii) of clause (22) of Section 3 of the Amendment Act and accordingly.-

- (a) all acts, proceedings or things taken or done by any authority in connection with levy, the assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;
- (b) no suit or other proceedings shall be maintained or continued in any Court or Tribunal or before any authority for the refund of any such tax; and
- (c) no Court shall enforce any decree or order directing the refund of any such tax.

(2) Notwithstanding anything contained in any judgment, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979), (hereinafter referred to as the said Act) before the commencement of this Act shall be and shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made,

taken or done under the said Act, as amended by clause (i) of Section 4 of this Act and accordingly.-

- (a) all acts, proceedings or things taken or done by any authority in connection with levy ,the assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;
- (b) no suit or other proceedings shall be maintained or continued in any Court or Tribunal or before any authority for the refund of any such tax; and
- (c) no Court shall enforce any decree or order directing the refund of any such tax.

KARNATAKA ACT NO. 26 OF 2004
THE KARNATAKA TAXATION LAWS (SECOND AMENDMENT) ACT, 2004
Arrangement of Sections

Sections:

1. Short title and commencement
2. Amendment of Mysore Act IX of 1932
3. Amendment of Karnataka Act 25 of 1957
4. Amendment of Karnataka Act No.30 of 1958
5. Amendment of Act No.35 of 1976
6. Amendment of Act No.22 of 1979
7. Amendment of Karnataka Act No.27 of 1979
8. Validation of assessments etc.,

STATEMENT OF OBJECTS AND REASONS

To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Mysore Betting Tax Act, 1932(Mysore Act IX of 1932), the Karnataka Sales Tax Act, 1957(Karnataka Act 25 of 1957), the Karnataka Entertainments Tax Act, 1958(Karnataka Act 30 of 1958), the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976(Karnataka Act 35 of 1976), the Karnataka Tax on Luxuries Act, 1979) and the Karnataka Tax on Entry of Goods Act, 1979(Karnataka Act 27 of 1979).

Opportunity is also taken to rationalize certain provisions of the said Acts and also to codify and make certain consequential amendments to implement reliefs already announced.

Hence the Bill.

[L.A. BILL No. 18 OF 2004]

(Entries 52, 54, 62, 60 of list II of Seventh Schedule to the Constitution of India)

KARNATAKA ACT NO. 26 OF 2004

(First published in the Karnataka Gazette Extra-ordinary on the thirty first day of July, 2004)

THE KARNATAKA TAXATION LAWS (SECOND AMENDMENT) ACT, 2004

(Received the assent of the Governor on the thirty first day of July, 2004)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the fifty-fifth year of the Republic of India, as follows.-

1. Short title and commencement.- (1) This Act may be called the Karnataka Taxation Laws (Second Amendment) Act, 2004.

(2) It shall come into force from the first day of August, 2004.

2. Amendment of Mysore Act IX of 1932.- In the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932),-

(1) In sub-section 3-A, for the words and punctuation marks, "as may be notified by the Government. Different amounts may be notified in respect of different licensees.", the words, "at the rate of four percent of the total amount of moneys paid into the totalisator." shall be and shall be deemed to have been substituted from the first day of April, 2004.

(2) In section 4-A, for the word, figures and letter "3-A and 4", the word, figures, letter and punctuation mark "3-A, 4, 6 and 7" shall be substituted.

3. Amendment of Karnataka Act 25 of 1957.- In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957),-

(1) In section 3-A, in sub-section (2), after the words "registered dealer liable to pay tax under the Act", the words "or by a recognized association or a body representing a class of dealers" shall be inserted.

(2) In Section 4,-

- (i) in sub-section (4), after the words "call for", the words "its finding on the clarification sought or question raised and also" shall be inserted.
- (ii) in sub-section (5), for the word "allow", the word "admit" shall be substituted.
- (iii) in sub-section (7),-
 - (a) for the word "allowed", the word admitted shall be substituted.
 - (b) after the words "so desires", the words "and also to the assessing authority or registering authority concerned" shall be inserted.
 - (c) for the words "four weeks", the words "ninety days" shall be substituted.

(3) In Section 5,-

- (i) in sub-section (1), for the words "thirteen percent", the words "twelve per cent" shall be substituted.
- (ii) in sub-section (5), in clause (b), after sub-clause (i), the following sub-clause shall be inserted, namely:-

"(i-a) Every dealer engaged in the execution of works contract mentioned in Sixth Schedule shall be liable to pay tax at the rate specified in the said schedule on his taxable turnover of transfer of property in goods (whether as goods or in some other form) involved in the execution of works contract in each year whatever be the quantum of his total turnover during the year."

- (4) In Section 5-A,-
- (i) in sub-section (3), the following proviso shall be *inserted*, namely:-

“Provided that no penalty shall be levied under this sub-section after a period of eight years from the close of the year to which the purchase relates.”
 - (ii) in sub-section (4), the following proviso shall be *inserted*, namely:-

“Provided that no penalty shall be levied under this sub-section after a period of eight years from the close of the year to which the purchase relates.”
- (5) In Section 6-A, in sub-section (3), after the proviso, the following proviso shall be inserted, namely:-

“Provided further that no penalty shall be levied under this Section after a period of eight years from the close of the year to which the transaction relates.”
- (6) In Section 8-A , in sub-section (5),-
- (i) after clause(a), the following clause shall be inserted, namely:-

“(aa) Where the purchaser is a registered dealer, the assessing authority of such purchaser and in other cases the Assistant Commissioner of Commercial Taxes of the area or any officer empowered under sub-section (1) of Section 28, may levy penalty under this sub-section.”
 - (ii) the following proviso shall be inserted, namely:-

“Provided that no penalty shall be levied under this sub-section after a period of eight years from the close of the year to which the purchase relates.”
- (7) In Section 10-A, in sub-section (2), the following proviso shall be inserted namely:-

“Provided that the applicant shall be deemed to be registered if the prescribed authority does not reject the application submitted within a period of thirty days from the date of submission of such application.”
- (8) In Section 12-B,-
- (a) in sub-section (1), the words “to the assessing authority”, shall be omitted.
 - (b) in sub-section (4), after the proviso the following proviso shall be inserted, namely:-

“Provided further that no penalty shall be levied under this sub-section after a period of eight years from the close of the year to which any tax paid in short relates.”
- (9) In Section 12-C,-
- (a) in sub-section (1),
 - (i) in clause (a), sub-clause (v) shall be omitted.
 - (ii) in clause (b), sub-clause (iii) shall be omitted.
 - (b) after sub-section (7), the following shall be inserted, namely:-

“(8) Notwithstanding anything contained in this Section or Section 12, the Government may notify, subject to such conditions as may be specified, that assessment of any specified class of dealers for any year shall be deemed to have

been made on the basis of the return submitted in accordance with sub-section (1) of Section 12 without requiring the presence of the dealer or production of books of account by the dealer.”

(10) After Section 12-E, the following section shall be inserted, namely:-

“12-F. Assessment of corporate bodies.- Notwithstanding anything contained in this Act, where a dealer is a body corporate and has more than one place of business, Commissioner may, subject to such conditions as may be prescribed and with the consent of the dealer, treat each of such places of business as a separate unit for the purposes of levy, assessment and collection of tax and thereupon all the provisions of this Act regarding registration, filing of returns, assessment and collection of tax, shall apply as if each of such places of business is a separate unit.”

(11) In Section 13-A, for the words “twelve per cent”, the words “six per cent” shall be substituted.

(12) In Section 18-A, before the proviso the following proviso shall be inserted, namely:-

“Provided that no penalty shall be levied under this section after a period of eight years from the close of the year to which the contravention relates.”

(13) After Section 19, the following section shall be inserted, namely:-

“19-A. Deduction of tax at source (in case of works contract).-(1) Notwithstanding anything contained in this Act, the Central Government, or any State Government, or an industrial, commercial or trading undertaking of the Central Government or of any State, or any such undertaking in joint sector or any other industrial, commercial or trading undertaking or any other person or body as may be notified by the Commissioner from time to time or a local authority or a statutory body, shall deduct out of the amounts payable by them to a dealer in respect of works contracts of the nature specified in the Sixth Schedule executed for them in the State, an amount equivalent to the tax payable by such dealer under the Act.

Provided that no such deduction shall be made if the amounts payable by them are in respect of sales of any goods, in the course of inter-State trade or commerce or, in the course of export out of the territory of India or, import into the territory of India or, outside the State.

(2) The deduction under sub-section (1) shall be made by an authority on the basis of tax payable as calculated by the dealer.

Provided that where it is found that the tax payable as calculated by any dealer was less than the tax payable for the works contract executed by more than fifteen per cent and being so informed, the authority shall make deduction out of any amounts payable subsequently based on the certificate issued by the assessing authority of the area or the assessing authority of the dealer on an application to be made by the authority or dealer which shall be disposed of by the assessing authority within ten days from the date of its receipt, failing which deduction shall be made as calculated by the dealer till issue of a certificate.

(3) The authority making deduction under sub-section (1), shall send every month to the prescribed authority a statement in the prescribed form containing particulars of tax deducted during the preceding month and pay full amount of the tax so deducted by it within twenty days after the close of the preceding month in which such deductions were made and the amount so payable shall for the purposes of Section 13 be deemed to be an amount due under this Act:

Provided that where default is made in complying with the provisions of this sub-section, the prescribed authority may, after such enquiry as it deems fit and after giving opportunity to the concerned authority of being heard, determine to the best of its judgment, the amount payable under this sub-section by such authority and the amount

so determined shall be deemed to be an amount due under the Act for the purposes of Section 13.

(4) If default is committed in the payment of tax deducted beyond ten days after the expiry of the period specified under sub-section (3), the authority making deductions under sub-section (1) shall pay, by way of penalty, a sum equal to the penalty specified under clause (ii) of sub-section (2) of Section 13 during the period in which such default is continued.

(5) The authority making deduction under sub-section (1) shall furnish to the dealer from whom such deduction is made, a certificate obtained from the prescribed authority containing such particulars as may be prescribed.

(6) Payment by way of deduction in accordance with sub-section (3), shall be without prejudice to any other mode of recovery of tax due under this Act from the dealer executing the works contract.

(7) Where tax in respect of the works contract is remitted under sub-section (3), the tax payable by the dealer for any month, quarter or for the whole year, as the case may be in respect of such works contract shall be reduced by the amount of tax already remitted under the said sub-section:

Provided that the burden of proving that the tax on such works contract has already been remitted and of establishing the exact quantum of tax so remitted shall be on the dealer claiming the reduction."

(14) In Section 20,-

(i) in sub-section (3), for the provisos, the following shall be substituted, namely:-

"Provided that the appellate authority may, in its discretion, stay payment of one half of tax, if the appellant makes payment of the other half of the tax along with the prescribed form of appeal.

Provided further that where any application made by an applicant for staying proceedings of recovery of any tax or other amount has not been disposed of by the Appellate Authority within a period of thirty days from the date of such application, it shall be deemed that the Appellate Authority has made an order staying proceedings of recovery of such tax or other amount subject to payment of one half of the tax disputed and furnishing of sufficient security to the satisfaction of the assessing authority in regard to the other half of such tax or amount within a further period of fifteen days.

Provided also that where an order staying proceedings of recovery of any tax or other amount is made in any proceedings relating to an appeal under sub-section (1), the Appellate Authority shall dispose of the appeal within a period of one hundred twenty days from the date of such order.

Provided also that if such appeal is not so disposed of within the period specified in the third proviso, the order of stay shall stand vacated after the expiry of the said period and the Appellate Authority shall not make any further order staying proceedings of recovery of the said tax or other amount."

(ii) in sub-section (5),-

(a) in clause (a), sub-clause (ii) shall be omitted;

(b) for the proviso, the following shall be substituted, namely:-

"Provided that the appellate authority shall not set aside any order of assessment or any other order and direct the assessing authority or other authority to make a fresh assessment or to make a fresh order.

Provided further that the appellate authority shall pass an order disposing of an appeal, within a period of thirty days from the date on which the

hearing of the case was concluded and where it is not practicable so to do on the ground of the exceptional and extraordinary circumstances of the case, the appellate authority shall fix a future date for passing the order, and such day shall not be a day beyond sixty days from the date on which the hearing of the case was concluded, and due notice of the day so fixed shall be given to the appellant.”

(15) In Section 22,-

(i) in sub-section (3), after the words “accompanied by”, the words “proof of payment of one half of tax or other amount disputed and also” shall be inserted.

(ii) for sub-section (5), the following shall be substituted, namely:-

“(5) Notwithstanding that an appeal has been preferred under sub-section (1), and notwithstanding anything contained in any other law for the time being in force, tax or any other amount shall be paid in accordance with the assessment or other order made in the case:

Provided that the Appellate Tribunal may, in its discretion, stay payment of one half of the tax or other amount disputed, if the appellant makes payment of the other half of the tax or other amount disputed along with the prescribed form of appeal:

Provided further that the Appellate Tribunal shall dispose of such appeal within a period of one hundred eighty days from the date of the order staying proceedings of recovery of one half of tax or other amount and, if such appeal is not so disposed of within the period specified, the order of stay shall stand vacated after the said period and the Appellate Tribunal shall not make any further order staying proceedings of recovery of the said tax or other amount.”

(16) In Section 22-A, in sub-section (2), after the words “to him”, the words “or the Authority for Clarification and Advance Rulings constituted under Section 4” shall be and shall be deemed to have been inserted from the First day of April, 2002.

(17) In Section 25-A, in sub-section (1), after the proviso, the following shall be *inserted*, namely:-

“Provided further that where an application is made by an assessee for rectification of any mistake in an order, as being apparent from the record and, such application has not been rejected by the assessing authority within sixty days from the date of receipt of the application, the order shall be deemed to have been amended rectifying such mistake.”

(18) In Section 28, -

(i) in sub-section (6),-

(a) after the word, figure and letter “or 12-B”, the words “or that the year to which such turnover relates to has come to an end” shall be inserted.

(b) after the third proviso, the following provisos shall be inserted, namely:-

“Provided also that no provisional assessment under this Section shall be made in the case of any dealer after one hundred and eighty days from the date of seizure of accounts, registers, records and documents under sub-section (3).

Provided also that the officer taking action under this sub-section shall not be below the rank of the assessing authority of the dealer”.

(ii) in sub-section (7) after the words “officer shall”, the words “proceed to recover the tax assessed and” shall be inserted.

(19) In Section 28-A,-

(i) in sub-section (2),-

- (a) in clause (d), before the words “ produce the”, the words “report at the first check-post or barrier situated on the route ordinarily taken from the place in the State, from which the movement of the goods commences, to its destination and” shall be inserted;
- (b) in clause (d), for the words “in sub-clauses”, the words “in clauses” shall be substituted.
- (c) for the proviso, the following shall be substituted, namely:-

“Provided that where the total turnover of the owner or consignor of the goods excluding such goods as may be notified by the Commissioner, for any year as declared in the return for such period is not less than fifty lakh rupees, or where the goods are carried within the limits of a revenue district not as a result of sale, the delivery note shall be the one in the prescribed form permitted to be so issued by him.”

(ii) in sub-section (4), in clause (a), for the word, brackets and letter “clause (e)”, the words, brackets and letters “clause (d) or (e)” shall be substituted.

(iii) in sub-section (6), in clause (b), for the first proviso, the following proviso shall be substituted, namely:-

“Provided that before taking possession or within ten days after taking possession of the goods or the goods vehicle, if the owner or person in-charge of the goods vehicle or the dealer registered under the Act, makes payment of penalty levied, the officer taking such possession shall forthwith return the goods or the goods vehicle to the person making such payment.”

(20) In Section 28-AA, for the explanation, the following shall be substituted, namely:-

“Explanation.- In case where a vehicle owned by a person is hired for transportation of goods by some other person including a transporting or any other similar agency, both the persons shall for the purposes of this Section, be deemed to be the owner of the vehicle, and shall be jointly and severally liable to pay any amount of tax or penalty payable.”

(21) In Section 28-AAA, for sub-section (5), the following shall be and shall be deemed to have been substituted, from the first day of April, 1999, namely:-

“(5) Any person objecting to an order affecting him under this section by,-

- (i) any officer below the rank of Joint Commissioner may appeal to the Joint Commissioner;
- (ii) a Joint Commissioner of Commercial Taxes, may appeal to the Appellate Tribunal.”

(22) In Section 30, after sub-section (2), the following shall be *inserted*, namely:-

“(3) No Court shall permit withdrawal of any prosecution proceeding initiated under Section 29 except with the previous sanction of the Commissioner”.

(23) In Section 31,-

- (i) in clause (a), after the words “not exceeding”, the words “two thousand rupees or double the amount of the tax or amount so remaining unpaid or evaded to be paid whichever is greater, for the first offence and if it is not the first offence during the financial year, a sum of money not exceeding” shall be inserted.

- (ii) in clause (b), after the words “not exceeding”, the words “five thousand rupees for the first offence and if it is not the first offence during the financial year, a sum of money not exceeding” shall be substituted.
- (24) In the Second Schedule,-
- (i) in Part ‘A’,-
 - (a) in serial number 5,
 - (i) in the entries relating to item (ii), in column 3, for the words “thirteen per cent”, the words “twelve per cent” shall be substituted;
 - (ii) in the entries relating to item (iii), in column 3, for the words “thirteen per cent”, the words “twelve per cent” shall be substituted;
 - (iii) in the entries relating to item (iv), in column 3, for the words “thirteen per cent”, the words “twelve per cent” shall be substituted;
 - (iv) in the entries relating to item (v), in column 3, for the words “thirteen per cent”, the words “twelve per cent” shall be substituted;
 - (v) in the entries relating to item (vi), in column 3, for the words “thirteen per cent”, the words “twelve per cent” shall be substituted;
 - (vi) in the entries relating to item (vii), in column 3, for the words “thirteen per cent”, the words “twelve per cent” shall be substituted.
 - (b) in the entries relating to serial number 5-A, in column 3, for the words “Five percent”, the words “Four per cent” shall be substituted.
 - (c) in the entries relating to serial number 6, in column 3, for the words “Two percent”, the words “One per cent” shall be substituted.
 - (d) in the entries relating to serial number 7, in column 3, for the words “Thirteen percent”, the words “Twelve per cent” shall be substituted.
- (ii) in Part ‘B’,
- (a) in the entries relating to serial number 4, in column 3, for the words “Thirteen percent”, the words “Twelve per cent” shall be substituted.
 - (b) in serial number 8,-
 - (i) in the entries relating to item (i), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;
 - (ii) in the entries relating to item (iii), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.
 - (c) in serial number 9, in column 3, for the words “Five percent”, the words “Four percent” shall be *substituted*.
 - (d) in serial number 10, in the entries relating to item (ii), in column 3, for the words “Thirteen per cent”, the words “Twelve percent” shall be substituted.
 - (e) in the entries relating to serial number 12, in column 3, for the words “Thirteen percent”, the words “Twelve per cent” shall be *substituted*.

(iii) in Part 'C',

- (a) in serial number 4, in the entries relating to item (ii), in column 3, for the words "Five per cent", the words "Eight per cent" shall be substituted.
- (b) in the entries relating to serial number 5,-
 - (i) in item (ii), in sub-item (a), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (ii) in item (ii), in sub-item (b), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (iii) in item (ii), in sub-item (c), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (iv) in item (ii), in sub-item (d) in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (v) in item (iii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (c) in serial number 7,-
 - (i) in the entries relating to item(i), in column 3, for the words "Fifteen per cent", the words "Twenty per cent" shall be substituted.
 - (ii) in the entries relating to item (ii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (d) in serial number 8,-
 - (i) in the entries relating to item(ii), in column 3, for the words "Two per cent", the words "One per cent" shall be substituted.
 - (ii) for the entries relating to sub-item(a) of item(iii), the following shall be substituted, namely:-

“(iii)(a) Atta, maida and soji of wheat Four per cent”.
 - (iii) for the entries relating to item(iv), the following shall be *substituted* namely:-

“(iv) Flour, chunni and husks of pulses; One per cent”

rice soji; bran of rice, wheat and poha
 - (iv) in the entries relating to item(v), in column 3, for the words "Two per cent", the words "One per cent" shall be substituted.
- (e) in the entries relating to serial number 8-A, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (f) in the entries relating to serial number 13, in column 3, for the words "Thirteen per cent", the words "Sixteen per cent" shall be substituted.
- (g) in the entries relating to serial number 15-A, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (h) in the entries relating to serial number 17-A, in column 2, for the words "Coconut oil sold under brand name", the words "Coconut oil sold in consumer sachets, bottles or tins of 200 grams or 200 millilitre each or less, including when such consumer containers are sold in bulk in a common container" shall be substituted.
- (i) in the entries relating to serial number 19,-
 - (i) in item (i), in column 3, for the words "Five per cent", the words "Four per cent" shall be substituted;

- (ii) in item (ii), in column 3, for the words “Thirteen per cent”, the words “Twelve percent” shall be substituted.
- (j) in serial number 20,-
 - (i) in the entries relating to item (i), in column 3, for the words “Five per cent”, the words “Twelve per cent” shall be substituted;
 - (ii) in the entries relating to sub-item (a) of item (ii), in column 3, for the words “Five per cent”, the words “Twelve per cent” shall be substituted;
 - (iii) in the entries relating to sub-item (b) of item (ii), in column 3, for the words “Five per cent”, the words “Twelve per cent” shall be substituted;
 - (iv) in the entries relating to item (iii), in column 3, for the words “Five per cent”, the words “Eight per cent” shall be substituted;
 - (v) in the entries relating to item (iv), in column 3, for the words “Five per cent”, the words “Twelve per cent” shall be substituted;
 - (vi) in the entries relating to item (v), in column 3, for the words “Five per cent”, the words “Twelve per cent” shall be substituted.
- (k) in serial number 21, in the entries relating to item (i), in column 3, for the words “Sixteen per cent”, the words “Twelve per cent” shall be *substituted*;
- (l) in serial number 23,-
 - (i) in the entries relating to item (i), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;
 - (ii) in the entries relating to item (iv), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.
- (m) in the entries relating to serial number 25, in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted.
- (n) in the entries relating to serial number 25-A, in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted.
- (o) in the entries relating to serial number 25-B, in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted.
- (iv) in Part ‘D’,-
 - (a) in serial number 1, in Column (3) for the words “Thirteen per cent”, the words “Sixteen per cent” shall be substituted.
 - (b) in serial number 2, in Column (3) for the words “Thirteen per cent”, the words “Sixteen per cent” shall be substituted.
 - (c) in serial number 3, in Column (3) for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted
 - (d) in serial number 6, in Column (3) for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.
- (v) in Part ‘E’,-
 - (a) in serial number 1,-
 - (i) in column 2, for the words “coconut oil sold under brand name”, the words “coconut oil specified in Serial Number 17-A of Part ‘C’ ” shall be substituted.

- (ii) in the entries relating to item (i), in column 3, for the words "Five per cent", the words "Four per cent" shall be substituted;
- (iii) in the entries relating to item (ii), in column 3, for the words "Five per cent", the words "Four per cent" shall be substituted;
- (iv) in the entries relating to item (iii), in column 3, for the words "Five per cent", the words "Eight per cent" shall be substituted.

(b) serial number 2, -

- (i) in the entries relating to item (ii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
- (ii) in the entries relating to item (iii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
- (iii) in the entries relating to item (iv), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
- (c) in the entries relating to serial number 3, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (d) in the entries relating to serial number 4, in column 3, for the words "Thirteen per cent", the words "Sixteen per cent" shall be substituted.

(vi) in Part 'F',-

- (a) in the entries relating to serial number 1, in column 3, for the words "Thirteen per cent", the words "Sixteen per cent" shall be substituted.
- (b) in serial number 2,-
 - (i) in the entries relating to item (i), in column 3, for the words "Nine per cent", the words "Eight per cent" shall be substituted;
 - (ii) in the entries relating to item (ii), in column 3, for the words "Nine per cent", the words "Eight per cent" shall be substituted;
 - (iii) in the entries relating to item (iii), in column 3, for the words "Nine per cent", the words "Eight per cent" shall be substituted.
- (c) in the entries relating to serial number 3, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (d) in serial number 7, in the entries relating to item (i), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (e) in serial number 8,-
 - (i) in item (v), , in the entries relating to in sub-item (a), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (ii) in the entries relating to in item (vi), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (iii) in the entries relating to in item (vii), in column 3, for the words "Nine per cent", the words "Eight per cent" shall be substituted.
- (f) in the entries relating to serial number 9, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (g) in the entries relating to serial number 10, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

- (h) in the entries relating to serial number 11, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (i) in the entries relating to serial number 14, in column 3, for the words "Thirteen per cent", the words "Sixteen per cent" shall be substituted.
- (vii) in Part 'G',
 - (a) in the entries relating to serial number 1, in column 3, for the words "Nine per cent", the words "Eight per cent" shall be substituted.
 - (b) in the entries relating to serial number 3, in column 3, for the words "Nine per cent", the words "Eight per cent" shall be substituted.
 - (c) in the entries relating to serial number 4, in column 3, for the words "Five per cent", the words "Four per cent" shall be substituted.
 - (d) in the entries relating to serial number 4-A, in column 3, for the words "Five per cent", the words "Four per cent" shall be substituted.
 - (e) in the entries relating to serial number 5, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (f) in the entries relating to serial number 6, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (viii) in Part "H",-
 - (a) in serial number 1,-
 - (i) in the entries relating to item (i), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (ii) in the entries relating to item (ii), in column 3, for the words "Thirteen percent", the words "Twelve per cent" shall be substituted;
 - (iii) in the entries relating to item (iii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (iv) in the entries relating to in item (iv), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (b) in the entries relating to serial number 1-A, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (c) in the entries relating to serial number 2, in column 3, for the words "Nine per cent", the words "Eight per cent" shall be substituted.
 - (d) in the entries relating to serial number 3, in column 3, for the words "Five per cent", the words "Four per cent" shall be substituted.
- (ix) in Part 'I', in the entries relating to serial number 4, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (x) in Part-J,-
 - (a) in Serial Number 3, in Column 3 for the words " Thirteen per cent ", the words " Twelve per cent " shall be substituted.
- (xi) in Part 'K',-
 - (a) in the entries relating to serial number 1, in column 3, for the words "Sixteen per cent", the words "Twenty per cent" shall be substituted.
 - (b) in serial number 1-A,-
 - (i) in the entries relating to item (i), in column 3, for the words "Eight per cent", the words "Four per cent" shall be substituted;

- (ii) in the entries relating to item (ii), in column 3, for the words “Eight per cent”, the words “Four per cent” shall be substituted;
 - (iii) in the entries relating to item (iii), in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted;
 - (iv) in the entries relating to item (iv), in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted.
- (c) in the entries relating to serial number 2, in column 3, for the words “Thirteen per cent”, the words “Sixteen per cent” shall be substituted.
- (d) in the entries relating to serial number 3, in column 3, for the words “Thirteen per cent”, the words “Sixteen per cent” shall be substituted.
- (xii) in Part ‘L’, in the entries relating to serial number 5, in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted.
- (xiii) in Part ‘M’,-
 - (a) in serial number 1,-
 - (i) in item (i), in the entries relating to sub-item (a), in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted;
 - (ii) in item (i), in the entries relating to sub-item (b), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;
 - (iii) in item (iii), in the entries relating to sub-item (a), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;
 - (iv) in item (iii), in the entries relating to sub-item (b), in column 3, for the words “Two per cent”, the words “One per cent” shall be substituted;
 - (v) in item (iii), in the entries relating to sub-item (c), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;
 - (vi) in item (iii), in the entries relating to sub-item (d), in column 3, for the words “Thirteen per cent”, the words “Sixteen per cent” shall be substituted;
 - (vii) in item (iii), in the entries relating to sub-item (e), in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted.
 - (b) in the entries relating to serial number 5, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.
 - (c) in the entries relating to serial number 6, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.
 - (d) in the entries relating to serial number 10, in column 3, for the words “Twenty five per cent”, the words “Twenty eight per cent” shall be substituted.
 - (e) in the entries relating to serial number 11, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.
 - (f) in serial number 15, in the entries relating to item (ii), in column 3, for the words “Sixteen per cent”, the words “Twelve per cent” shall be substituted.
- (xiv) in Part ‘N’, in the entries relating to serial number 2, in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted.
- (xv) in Part ‘O’, in serial number 3,

- (a) in the entries relating to item (i), in column 3, for the words "Thirteen per cent", the words "Sixteen per cent" shall be substituted.
 - (b) in the entries relating to item (ii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (c) in the entries relating to item (iii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (xvi) in Part 'P',-
- (a) in the entries relating to serial number 1-A, in column 3, for the words "Twenty-five per cent", the words "Twenty-eight per cent" shall be substituted;
 - (b) in the entries relating to serial number 3, in column 3, for the words "Nine per cent", the words "Eight per cent" shall be substituted.
 - (c) in the entries relating to serial number 4, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (d) in the entries relating to serial number 6, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (e) in serial number 7,-
 - (i) in the entries relating to item (ii), in column 3, for the words "Five per cent", the words "Four per cent" shall be substituted;
 - (ii) in the entries relating to item (iii), in column 3, for the words "Sixteen per cent", the words "Twelve per cent" shall be substituted.
 - (f) in the entries relating to serial number 8, in column 3, for the words "Thirteen per cent", the words "Sixteen per cent" shall be substituted.
 - (g) in the entries relating to serial number 10, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (h) in the entries relating to serial number 11, in column 3, for the words "Nine per cent", the words "Eight per cent" shall be substituted.
 - (i) in serial number 12,-
 - (i) in the entries relating to item (ii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (ii) in the entries relating to item (iii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (xvii) in Part 'R',-
- (a) in the entries relating to serial number 2, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (b) in the entries relating to serial number 8, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (c) in serial number 9,-
 - (i) in the entries relating to item (i), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (ii) in the entries relating to item (ii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

- (d) in serial number 10,-
 - (i) in the entries relating to item (i), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (ii) in the entries relating to item (v), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (xviii) in Part 'S',-
 - (a) in the entries relating to serial number 4, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (b) in the entries relating to serial number 5, in column 3, for the words "Thirteen per cent", the words "Sixteen per cent" shall be substituted.
 - (c) in the entries relating to serial number 6, in column 3, for the words "Five per cent", the words "Four per cent" shall be substituted.
 - (d) in serial number 9,-
 - (i) in the entries relating to item (iii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (ii) in the entries relating to item (iv), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (e) in the entries relating to serial number 10, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (f) in the entries relating to serial number 13, in column 3, for the words "Five per cent", the words "Four per cent" shall be substituted.
 - (g) in serial number 15,-
 - (i) in the entries relating to item (i), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (ii) in the entries relating to item (i-a), in column 2, for the words "black board dusters", the words "all kinds of display boards including wipeoff board, chalk board, clip board, felt board, plastic and acrylic board other than electrical and electronic operated, dusters, plastic letters and figures, and marker pen" shall be substituted.
 - (iii) in the entries relating to item (i-a), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (iv) in the entries relating to item (ii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (v) in the entries relating to item (ii-a), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (h) in the entries relating to serial number 15-A, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (i) in the entries relating to serial number 18, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

- (j) in the entries relating to serial number 21, in column 3, for the words "Thirteen percent", the words "Twelve per cent" shall be substituted.
 - (k) in the entries relating to serial number 22, in column 3, for the words "Nine percent", the words "Eight per cent" shall be substituted.
 - (l) in the entries relating to serial number 23, in column 3, for the words "Thirteen percent", the words "Sixteen per cent" shall be substituted.
- (xix) in Part 'T',-
- (a) in the entries relating to serial number 1, in column 3, for the words "Thirteen percent", the words "Twelve per cent" shall be substituted.
 - (b) in the entries relating to serial number 1-A, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (c) in the entries relating to serial number 2, in column 3, for the words "Five per cent", the words "Four per cent" shall be substituted.
 - (d) in the entries relating to serial number 3, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (e) in serial number 5,-
 - (i) in the entries relating to item (i), in column 3, for the words "Sixteen cent", the words "Twelve per cent" shall be substituted;
 - (ii) in the entries relating to item (ii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (f) in the entries relating to serial number 7-A, in column 3, for the words "Nine per cent", the words "Eight per cent" shall be substituted.
 - (g) in serial number 8, in the entries relating to item (iii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;
 - (h) in the entries relating to serial number 9-A, in column 3, for the words "Twenty- five per cent", the words "Twenty-eight per cent" shall be substituted.
 - (i) in the entries relating to serial number 10-A, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (j) in serial number 10-B,-
 - (i) in the entries relating to item (i), in column 3, for the words "Nine per cent", the words "Eight per cent" shall be substituted;
 - (ii) in the entries relating to item (ii), in column 3, for the words "Sixteen per cent", the words "Twelve per cent" shall be substituted.
 - (k) in serial number 11,-
 - (a) in the entries relating to item (i), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
 - (b) in the entries relating to item (ii), in column 3, for the words "Two per cent", the words "One per cent" shall be substituted.
- (xx) in Part 'V',-
- (a) in the entries relating to serial number 1, in column 3, for the words "Thirteen percent", the words "Twelve per cent" shall be substituted.

- (b) in the entries relating to serial number 2, in column 3, for the words "Thirteen percent", the words "Twelve per cent" shall be substituted.
- (xxi) in Part 'W',
- (a) in the entries relating to serial number 4, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (b) in the entries relating to serial number 4-A, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (c) in the entries relating to serial number 5, in column 3, for the words "Thirteen percent", the words "Twelve per cent" shall be substituted.
- (d) in the entries relating to serial number 7, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (e) in the entries relating to serial number 8, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (xxii) in Part 'X', in the entries relating to serial number 1, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.
- (xxiii) in Part 'Y', in the entries relating to serial number 1, in column 3, for the words "Nine per cent", the words "Eight per cent" shall be substituted.
- (xxiv) in Part 'Z', in the entries relating to serial number 1, in column 3, for the words "Five per cent", the words "Four per cent" shall be substituted.
- (xxv) for Explanation III, the following shall be substituted, namely:-
- "Explanation III.-** Where a tax has been levied in respect of purchase of coffee seeds under Serial Number 18 of Part 'C' or under Serial Number 3 of the Third Schedule, the tax leviable on the coffee powder (excluding instant coffee and french coffee) made out of those coffee seeds shall be reduced by the amount of tax levied on such coffee seeds."
- (25) in the Fifth Schedule,-
- (i) after the entries relating to Serial Number 58, the following shall be and shall be deemed to have inserted from the First day of April, 1992, and shall be and shall be deemed to have been *omitted* from the First day of April, 1999, namely:-
- "59. H.D.P.E, L.D.P.E., P.P. and Viscose Rayon woven and non-woven fabrics subject to the condition that no tax under this Act on the sale of the said goods is charged for and collected separately in the sale bills.";
- (ii) after the entry Serial Number 59 so inserted and omitted, the following shall be and shall be deemed to have been inserted from the Sixth day of November, 1999 and shall be and shall be deemed to have been omitted from the Seventh day of November, 1999, namely:-
- "60. Instant noodles sold in aid of the people affected by the cyclone in Orissa subject to the condition that no tax under this Act on the sale of the said goods is charged for and collected separately in the sale bills."
- (26) in the Sixth Schedule, in column 3,-
- (i) excluding the entries relating to serial number 22, for the words "Five per cent", wherever they occur, the words "Four per cent" shall be substituted.
- (ii) for the words "Thirteen per cent", wherever they occur, the words "Twelve per cent" shall be substituted.
- (iii) in the entries relating to serial number 22, for the words "Five per cent", the words "Twelve per cent" shall be substituted.

- (27) in Seventh Schedule, in column 3, for the words “Five per cent”, wherever they occur, the words “Eight per cent” shall be substituted

4. Amendment of Karnataka Act No.30 of 1958.- In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

- (1) in Section 2, in clause (e), in sub-clause (i), after the words “horse race”, the words “or live telecast of a horse race” shall be inserted.

- (2) in Section 3,-

- (i) for sub-section (1), the following shall be substituted, namely:-

“(1) There shall be levied and paid to the State Government entertainments tax on each payment for admission excluding the amount of tax, to an entertainment, -

- (a) specified in sub-clause (i) of clause (e) of Section 2 at 70 per cent of such payment; and
(b) specified in sub-clause (ii) of clause (e) of Section 2 at 40 per cent of such payment.”

- (ii) in sub-section (1-A), for the table, the following shall be substituted, namely:-

“TABLE

Sl. No.	Payment for admission (excluding the Amount of tax)	Rate of tax
(1)	(2)	(3)
1.	Fifty rupees or more in respect of an entertainment in respect of an entertainment which is an exhibition, performance or pageant or game or sport held within the limits of Bangalore Urban Agglomeration area or a City Municipal Corporation.	10 per cent of such payment
2.	Two hundred and fifty rupees or more in respect of an entertainment in respect of an entertainment which is an exhibition, performance or pageant or game or sport held outside the limits of Bangalore Urban Agglomeration area or a City Municipal Corporation.”	10 per cent of such payment

- (3) in Section 4, in sub-section (1),-

- (iii) in the table,-

- (a) in the entries relating serial number (a), in column (3), for the words “One hundred rupees”, the words “Eighty five rupees” shall be and shall be deemed to have been substituted from the Nineteenth day of June, 2003;
(b) in the entries relating to serial number (b), in column (3), for the words “One hundred and twenty five rupees”, the words “One hundred and ten rupees” shall be and shall be deemed to have been substituted from the Nineteenth day of June, 2003;
(c) in the entries relating to serial number (c), in column (3) for the words “One hundred and fifty rupees”, the words “One hundred and thirty five rupees” shall be and shall be deemed to have been substituted from the Nineteenth day of June, 2003;

- (d) in the entries relating to serial number (d), for the words “Two hundred and fifty rupees”, the words “Two hundred and thirty five rupees” shall be and shall be deemed to have been substituted from the Nineteenth day of June, 2003.
- (iv) in the first proviso,-
 - (a) in the entries relating relating to serial number (a), in column (3), for the words “Fifty rupees”, the words “Thirty five rupees” shall be and shall be deemed to have been substituted from Nineteenth day of June, 2003;
 - (b) in the entries relating to serial number (b), in column (3), for the words “Seventy rupees”, the words “Sixty rupees” shall be and shall be deemed to have been substituted from Nineteenth day of June, 2003;
 - (c) in the entries relating to serial number (c), in column (3), for the words “Ninety rupees”, the words “Seventy five rupees” shall be and shall be deemed to have been substituted from Nineteenth day of June, 2003;
 - (d) in the entries relating to serial number (d), in column(3), for the words “One hundred and ten rupees”, the words “Ninety five rupees” shall be and shall be deemed to have been substituted from Nineteenth day of June, 2003.
- (4) in Section 4-D, in the table,-
 - (i) in the entries relating to serial number 1, in column (3), for the words “Rupees seven thousand per month”, the words “Rupees six thousand five hundred per month” shall be and shall be deemed to have been substituted from the Nineteenth day of June, 2003;
 - (ii) in the entries relating to serial number 2, in column (3), for the words “Rupees four thousand per month”, the words “Rupees three thousand per month” shall be and shall be deemed to have been substituted from the Nineteenth day of June, 2003.
- (5) in Section 4-E, in the proviso for the words “does not exceed two hundred and fifty rupees”, the words “is less than, fifty rupees in respect of any amusement in the limits of Bangalore Urban Agglomeration or a City Municipal Corporation and two hundred and fifty rupees in respect of any amusement in other areas” shall be substituted.
- (6) in Section 4-F, in the proviso for the words “does not exceed two hundred and fifty rupees”, the words “is less than, fifty rupees in respect of any amusement in the limits of Bangalore Urban Agglomeration or a City Municipal Corporation and two hundred and fifty rupees in respect of any amusement in other areas” shall be substituted.
- (7) after Section 6-C, the following section shall be inserted, namely:-

“6-D. Issuance of Clearance Certificates to proprietors.- Where for the purpose of complying with the requirement of any law for the production of a clearance certificate with respect to payment of tax or any other amount under this Act, a proprietor makes an application to the prescribed authority of the area, the prescribed authority shall, if no amount of assessed tax or any other amount under this Act is due by or any tax payable in accordance with the provisions of sub-section (1-A) of Section 6-A is outstanding from such proprietor, issue a clearance certificate in the prescribed form.”

5. Amendment of Act No.35 of 1976.- In the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976 (Karnataka Act No.35 of 1976),-

- (1) after Section 7, the following Section shall be inserted, namely:-

“7-A. Self-assessment in the case of certain employers.- (1) Notwithstanding anything contained in sub-section (2) of Section 7, the assessing authority in respect of any year commencing from the First day of April, 2003, shall assess an employer in whose case the total amount of tax deducted is less than twenty five thousand rupees on the basis of the return submitted in accordance with sub-section (1) of Section 6 within the time specified therein, without requiring his presence or production of books of accounts.

(2) Where before completion of self-assessment, return submitted under sub-section (1) is found to involve mistake apparent on record, the assessing authority shall afford opportunity to the employer to submit revised return or to rectify such mistake.

(3) Self-assessment under sub-section (1) shall not be made in respect of an employer for any year if.-

- (i) the return filed for any year is incomplete or incorrect or defective, save for mistakes apparent on record;
- (ii) it is found that the employer has attempted to evade any tax, for that year.

(4) Notwithstanding anything contained in sub-section (1), the Commissioner shall, within a period of seventy-five days from the close of the year to which the assessment relates, notify selection of cases for the purpose of scrutiny in entirety of the assessment records and in respect of such cases so found warranted, shall direct the assessing authority concerned to make assessment under sub-section (3) of Section 12.

(5) The assessing authority shall, within a period of sixty days from the date of notification of cases for the purpose of scrutiny assessment under sub-section (4), serve upon the employer, notice as prescribed demanding payment of tax or issue order of refund as prescribed, on the basis of self-assessment or communicate initiation of proceedings of scrutiny assessment under sub-section (4).

(6) If on scrutiny assessment in cases falling under sub-section (4), it is found that the amount of tax paid by any employer for any year was less than the tax payable for that year as assessed by more than fifteen per cent, the assessing authority shall direct such dealer to pay, in addition to the tax, a penalty equivalent to three times the amount of the tax so paid in short.

(7) Every assessment completed under sub-section (1) shall be subject to the provisions of Sections 8, 9 and 18.”

(2) in Section 14,

(i) in sub-section (1), in clause (iii), for the words “Officers and”, the words and punctuation mark “Officers, Deputy Commissioners of Professions Tax and” shall be substituted.

(ii) in sub-section (2), in clause (iii), for the words “Officers and the Assistant”, the words “Officers, the Assistant Commissioners of Professions Tax and Deputy” shall be substituted.

6. Amendment of Act No.22 of 1979.- In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act No.22 of 1979),-

(1) in Section 2,-

- (i) after clause (1-B), the following shall be inserted, namely:-

“(1-C) **“Charges for hospital”** means charges for accommodation provided in a hospital for any patient or inmate or resident, by whatever name called and his attendant including charges for air-conditioning, telephone, telephone calls, television, radio, music, extra beds and the like but does not include any charges for food, drink, laundry or other amenities, medicines, medical including consultation, testing, diagnostic and nursing services, therapeutic services or other similar services;

- (ii) after clause (2), the following shall be inserted, namely:-

“(3) **“Hospital”** includes a nursing home, therapy centre, rejuvenation or recuperation centre, nature care or cure centre, ayurvedic cure or care or any treatment centre, personal care centre and beauty treatment centre, by whatever name called;

- (iii) for clause (6), the following shall be substituted, namely:-

“(6) **“Proprietor, in relation to a Hotel or a Marriage Hall or a Club or a Hospital”** means any person who is owning or holding a hotel or a marriage hall or hospital in any capacity recognized by law or the Secretary or Manager or any other person entrusted with the management of a club or hospital, and includes, the person who for the time being is in-charge of the management of the hotel or marriage hall or club or hospital;”

- (2) in section 3, in sub-section (1), for clauses (a) and (b) excluding the provisos, the following shall be substituted, namely:-

“(a) Where the charges for lodging per room per day are more than one hundred and fifty rupees but less than four hundred rupees	Four per cent of such charges
(b) Where the charges for lodging per room per day are not less than four hundred rupees but less than one thousand rupees	Eight per cent of such charges
(c) Where the charges for lodging per room per day are not less than one thousand rupees	Twelve per cent of such charges
	”

- (3) after Section 3-D, the following shall be inserted, namely:-

“3-E. Levy and collection of tax on luxury provided in a hospital.- (1) Where charges for luxury provided in a hospital are more than one thousand rupees per day, there shall be levied and collected a tax at the rate of eight per cent of such charges.

(2) The tax levied under sub-section (1) shall be paid by every proprietor within such period and in such manner as may be prescribed.”

- (4) in Section 4, sub-section (3) shall be and shall be deemed to have been omitted from the Seventeenth day of June, 2003 and shall be inserted from the First day of August, 2004.

7. Amendment of Karnataka Act No.27 of 1979.- In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979).-

- (1) in Section 4-B, in sub-section (1), after the word “fixed”, the words “retrospectively or prospectively,” shall be and shall be deemed to have been always inserted.
- (2) in Section 4-BB, in sub-section (3), after the words “General Sales Tax”, the words “or Central Sales Tax” shall be and shall be deemed to have been always inserted.
- (3) in Section 5-B, after sub-section 4, the following shall be inserted, namely:-
“(5)Notwithstanding anything contained in this Section or Section 5, the Government may notify, subject to such conditions as may be specified, that assessment of any specified class of dealers for any year shall be deemed to have been made on the basis of the return submitted in accordance with sub-section (1) of Section 5 without requiring the presence of the dealer or production of books of account by the dealer.”
- (4) in Section 8-A, in sub-section (2), for the words “twelve per cent”, the words “six per cent” shall be substituted.
- (5) in Section 12-C, in sub-section (2), after the word “including”, the words “provisions relating to appeal and” shall be inserted.
- (6) in Section 13,-
 - (i) in sub-section (3), for the provisos, the following shall be substituted, namely:-

“Provided that the appellate authority may, in its discretion, stay payment of one half of tax, if the appellant makes payment of the other half of the tax along with the prescribed form of appeal.

Provided further that where any application made by an applicant for staying proceedings of recovery of any tax or other amount has not been disposed of by the Appellate Authority within a period of thirty days from the date of such application, it shall be deemed that the Appellate Authority has made an order staying proceedings for recovery of such tax or other amount subject to payment of one half of the tax disputed and furnishing of sufficient security to the satisfaction of the assessing authority in regard to the other half of such tax or amount within a further period of fifteen days.

Provided also that where an order staying proceedings of recovery of any tax or other amount is made in any proceedings relating to an appeal under sub-section (1), the Appellate Authority shall dispose of the appeal within a period of ninety days from the date of such order.

Provided also that if such appeal is not so disposed of within the period specified in the third proviso, the order of stay shall stand vacated after the expiry of the said period and the Appellate Authority shall not make any further order staying proceedings of recovery of the said tax or other amount.”
 - (ii) in sub-section (5),-
 - (a) in clause (a), sub-clause (ii) shall be omitted;
 - (b) the following provisos shall be inserted, namely.-

“Provided that the Appellate Authority shall not set aside any order of assessment or any other order and direct the assessing authority or other authority to make a fresh assessment or to make a fresh order:

Provided further that the Appellate Authority shall pass an order disposing of an appeal, within a period of thirty days from the date on which the hearing of the case was concluded and where it is not practicable so to do on the

ground of the exceptional and extraordinary circumstances of the case, the Appellate Authority shall fix a future date for passing the order, and such day shall not be a day beyond sixty days from the date on which the hearing of the case was concluded, and due notice of the day so fixed shall be given to the appellant.”

(7) in Section 14,-

(i) in sub-section (3), after the words “accompanied by”, the words “proof of payment of one half of tax or other amount disputed and also” shall be inserted;

(ii) for sub-section (4), the following shall be substituted, namely:-

“(4) Notwithstanding that an appeal has been preferred under sub-section (1), and notwithstanding anything contained in any other law for the time being in force, tax or any other amount shall be paid in accordance with the assessment or other order made in the case:

Provided that the Appellate Tribunal may, in its discretion, stay payment of one half of tax or other amount disputed, if the appellant makes payment of the other half of the tax or other amount disputed along with the prescribed form of appeal:

Provided further that the Appellate Tribunal shall dispose of such appeal within a period of one hundred eighty days from the date of the order staying proceedings of recovery of one half of tax or other amount and, if such appeal is not so disposed of within the period specified, the order of stay shall stand vacated after the said period and the Appellate Tribunal shall not make any further order staying proceedings of recovery of the said tax or other amount.”;

(iii) sub-section (6) including the proviso shall be omitted.

(8) in Section 22, in sub-section (1), for the word “Commissioner”, the words “Joint Commissioner” shall be substituted.

8. Validation of assessments etc.,- (1) Notwithstanding anything contained in any judgement, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) (hereinafter referred to as the said Act) before the commencement of the Karnataka Taxation Laws (Second Amendment) Act, 2004 (hereinafter referred to as the Amendment Act) shall be and shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Act, as amended by clause (17) of Section 3 of the Amendment Act and accordingly,-

(a) all acts, proceedings or things taken or done by any authority in connection with levy, assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;

(b) no suit or other proceedings shall be maintained or continued in any Court of Tribunal or before any authority for the refund of any such tax; and

(c) no Court shall enforce any decree or order directing the refund of any such tax.

(2) Notwithstanding anything contained in any judgement, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka

Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979) (hereinafter referred to as the said Act) before the commencement of the Karnataka Taxation Laws (Second Amendment) Act, 2004 (hereinafter referred to as the Amendment Act) shall be and shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Act, as amended by clause (1) of Section 7 of the Amendment Act and accordingly,-

- (a) all acts, proceedings or things taken or done by any authority in connection with levy, assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;
- (b) no suit or other proceedings shall be maintained or continued in any Court of Tribunal or before any authority for the refund of any such tax; and
- (c) no Court shall enforce any decree or order directing the refund of any such tax.

By Order and in the name of the Governor of Karnataka,

G.DAKSHINA MOORTHY

Secretary to Government,
Department of Parliamentary Affairs and Legislation.

Karnataka Act No. 11 of 2005

THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2005

Arrangement Sections

Sections:

1. Short title and commencement
2. Amendment of Mysore Act IX of 1932
3. Amendment of Karnataka Act 25 of 1957
4. Amendment of Karnataka Act No.30 of 1958
5. Amendment of Act No.35 of 1976
6. Amendment of Karnataka Act No.27 of 1979
7. Amendment of Karnataka Act No.4 of 2004
8. Amendment of Karnataka Act No.29 of 2004
9. Amendment of Karnataka Act No.32 of 2004
10. Validation of assessments etc.,

STATEMENT OF OBJECTS AND REASONS

To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), the Karnataka Sales Tax Act, 1957(Karnataka Act 25 of 1957), the Karnataka Entertainments Tax Act, 1958(Karnataka Act 30 of 1958), the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976(Karnataka Act 35 of 1976), the Karnataka Tax on Entry of Goods Act, 1979(Karnataka Act 27 of 1979), the Karnataka Tax on Lotteries Act, 2004 (Karnataka Act 3 of 2004), the Karnataka Special Tax on Entry of Certain Goods Act, 2004 (Karnataka Act 29 of 2004) and the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004).

Opportunity is also taken to rationalize certain provisions of the said Acts.

Hence the Bill.

(LA Bill No.12 of 2005)

[Entry 52, 54, 60 and 62 of List II of the Seventh Schedule to the Constitution of India]

Karnataka Act No. 11 of 2005

(First published in the Karnataka Gazette Extra-ordinary on the thirty first day of March, 2005)

THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2005

(Received the assent of the Governor on the thirty first day of March, 2005)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the fifty-sixth year of the Republic of India, as follows.-

1. Short title and commencement.- (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2005.

(2) It shall come into force with effect from the first day of April, 2005.

2. Amendment of Mysore Act IX of 1932.- In the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), in section 3-A, before the explanation, the following proviso shall be and shall be deemed to have been inserted from the first day of April, 2004, namely,-

“Provided that the licensees shall be liable to pay the composition amounts notified for the period commencing from the first day of April, 2004 only till the commencement of the Karnataka Taxation Laws (Second Amendment) Act, 2004 (Karnataka Act No.26 of 2004).”

3. Amendment of Karnataka Act 25 of 1957.- In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957),-

(1) in Section 12-B, in sub-section (2), for the words “two per cent”, the words “one and a quarter per cent” shall be substituted.

(2) in Section 13, in sub-section (2), in clause (ii), for the words “two per cent”, the words “one and a quarter per cent” shall be substituted.

(3) in Section 18-AA, in sub-section (2),

(i) in clause (ii), for the words “two and one half per cent”, the words “one and a quarter per cent” shall be substituted.

(ii) the following explanation shall be and shall deemed always to have been inserted, namely,-

“Explanation.- For the purpose of this sub-section, non-payment during any period during which recovery of any amount due under this Section is stayed by an order of any authority or Court in any appeal or other proceedings disputing such amount, shall be deemed to be a ‘default’, unless such appeal or other proceeding is allowed by such Authority.”

(4) in Section 23, in sub-section (1),

(i) for the words “one hundred and twenty days”, the words “one hundred and eighty days” shall be substituted;

(ii) in the proviso, for the words “one hundred and twenty days”, the words “one hundred and eighty days” shall be substituted.

(5) in the Fifth Schedule, after the entries relating to serial number 52, the following shall be and shall be deemed to have been inserted from the first day of August, 2004, namely,-

“53. Transfer of the right to use feature films.”

4. Amendment of Karnataka Act No.30 of 1958.- In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in Section 3, in sub-section (1-A), the following proviso shall be inserted, namely,-

“Provided that no tax shall be levied in the case of admission to a circus.”

(2) in Section 4, in sub-section (1),-

(i) in the table,-

(a) in the entries relating serial number (a), in column (3), for the words “Eighty five rupees”, the words “Forty three rupees” shall be substituted;

(b) in the entries relating to serial number (b), in column (3), for the words “One hundred and ten rupees”, the words “Fifty five rupees” shall be substituted;

(c) in the entries relating to serial number (c), in column (3) for the words “One hundred and thirty five rupees”, the words “Sixty eight rupees” shall be substituted;

(d) in the entries relating to serial number (d), for the words “Two hundred and thirty five rupees”, the words “One hundred and eighteen rupees” shall be substituted.

(ii) in the first proviso,-

(a) in the entries relating to serial number (a), in column (3), for the words “Thirty five rupees”, the words “Eighteen rupees” shall be substituted;

(b) in the entries relating to serial number (b), in column (3), for the words “Sixty rupees”, the words “Thirty rupees” shall be substituted;

(c) in the entries relating to serial number (c), in column (3), for the words “Seventy five rupees”, the words “Thirty eight rupees” shall be substituted;

(d) in the entries relating to serial number (d), in column(3), for the words “Ninety five rupees”, the words “Forty eight rupees” shall be substituted.

(iii) in the second proviso,-

(a) in the entries relating to serial number (a), in column (3), for the words “Eighty rupees”, the words “Forty rupees” shall be substituted;

(b) in the entries relating to serial number (b), in column (3), for the words “Ninety rupees”, the words “Forty five rupees” shall be substituted;

(c) in the entries relating to serial number (c), in column (3), for the words “One hundred rupees”, the words “Fifty rupees” shall be substituted.

(iv) in the third proviso,-

(a) in the entries relating to serial number (a), in column (3), for the words “Twenty five rupees”, the words “Thirteen rupees” shall be substituted;

(b) in the entries relating to serial number (b), in column (3), for the words “Fifty rupees”, the words “Twenty five rupees” shall be substituted;

(c) in the entries relating to serial number (c), in column (3), for the words “Seventy five rupees”, the words “Thirty eight rupees” shall be substituted.

(3) in Section 4-A, in sub-section (1), in the table,-

(i) in the entries relating to serial number (a), in column (3), for the words “Ten per cent”, the words “Five per cent” shall be substituted;

(ii) in the entries relating to serial number (b), in column (3), for the words “Seventeen and half per cent”, the words “Ten per cent” shall be substituted;

(iii) in the entries relating to serial number (c), in column (3), for the words “Twenty five per cent”, the words “Fifteen per cent” shall be substituted.

(4) in Section 6-A, for sub-section (4), the following shall be substituted, namely,-

“(4) In making an assessment under sub-section (3), if the prescribed authority is satisfied that the correct amount of tax payable under sub-section (1-A) was not paid by the proprietor either due to willful mis-statement or suppression of facts, it may direct the proprietor to pay, in addition to the tax assessed, a penalty,-

(i) equal to the amount of difference between the tax assessed and the tax paid under sub-section (1-A), where such assessment is made for the first time in any financial year; and

(ii) equal to double the amount of difference between the tax assessed and the tax paid under sub-section (1-A), while making any subsequent assessment during such financial year.”

(5) in Section 9, in sub-section (2), for clause (ii), the following shall be substituted, namely,-

“(ii) the proprietor liable to pay such tax under this Act shall be liable to pay an interest equal to one and a quarter per cent of the amount of tax remaining unpaid for each month after the expiry of the time prescribed under sub-section (1).”

5. Amendment of Act No.35 of 1976.- In the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976 (Karnataka Act No.35 of 1976),-

(1) in Section 10, in sub-section (1), the following proviso shall be inserted, namely,-

“Provided that a person liable to be enrolled shall be deemed to have enrolled for the purpose of payment of tax under this Act, notwithstanding that he has failed to do so.”

(2) in Section 11,

(i) in sub-section (2), for the words “two per cent”, the words “one and a quarter per cent” shall be substituted

(ii) in sub-section (3), after the words “enrolled person”, the words “or a person liable to be enrolled” shall be inserted;

(3) in the Schedule, for the entries relating to serial number (2), the following shall be substituted, namely,-

“(2) Legal practitioners including Solicitors and Notaries Public:-

(a) in the Bangalore Urban Agglomeration where standing in the profession is-

(i) less than 10 years	Nil
(ii) 10 years or more but less than 20 years	Rs.1500 per annum
(iii) 20 years or more	Rs.2500 per annum

(b) in any other area in the State is-

(i) less than 10 years	Nil
(ii) 10 years or more but less than 20 years	Rs.1000 per annum
(iii) 20 years or more	Rs.1500 per annum”

6. Amendment of Karnataka Act No.27 of 1979.- In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979),-

(1) in Section 2, in sub-section (A), in clause (2), after the words and figures “Karnataka Sales Tax Act, 1957”, the words “or this Act by the Government or the Commissioner” shall be inserted.

(2) in Section 3-BB, in sub-section (2),

(i) in clause (ii), for the words “two and one half per cent”, the words “one and a quarter per cent” shall be substituted;

(ii) after clause (iii), the following explanation shall be and shall be always deemed to have been inserted, namely,-

“Explanation.- For the purpose of this sub-section, non-payment during any period during which recovery of any amount due under this Section is stayed by an order of any authority or Court in any appeal or other proceedings disputing such amount, shall be deemed to be a ‘default’, unless the appeal or other proceeding is allowed by such Authority.”

(3) in Section 4,

(i) in sub-section (1), in clause (a), after the brackets, words and figures “(Karnataka Act 25 of 1957)”, the words, figures and brackets “or Section 22 of the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)” shall be inserted.

(ii) in sub-section (3), after the brackets, words and figures “(Karnataka Act 25 of 1957)”, the words, figures and brackets “or the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)” shall be inserted.

(4) after Section 4-A, the following shall be and shall be deemed to have been inserted from the First day of April, 1995, namely,-

“4-B Levy of tax.- (1) Notwithstanding anything contained in Section 3, there shall be levied and collected a tax on the purchase value of a motor vehicle an entry of which is effected into a local area for use or sale therein and which is liable for registration or assignment of a new registration mark in the State under the Motor Vehicles Act, 1988, at such rate as may be fixed retrospectively or prospectively by the State Government by notification but not exceeding the rates specified in respect of motor vehicles under the Karnataka Sales Tax Act, 1957:

Provided that, no tax shall be levied and collected in respect of a motor vehicle which is registered in any Union Territory or any other State under the Motor Vehicles Act, 1988 fifteen months prior to the date on which a new registration mark is assigned in the State under the said Act.

(2) The tax levied under the section shall be paid by the importer in such manner and within such time as may be prescribed.

4-BB. Reduction of tax liability.- (1) Where a person liable to pay tax under this Act becomes liable to pay tax under the Karnataka Sales Tax Act, 1957 on the sale or purchase of such motor vehicles, then his liability under the Karnataka Sales Tax Act, 1957 shall be reduced to the extent of the tax paid under this Act on such motor vehicle.

(2) Where the liability to pay tax under this Act is in respect of motor vehicle subjected to tax under the Karnataka Sales Tax Act, 1957, then, the tax payable under this Act shall be reduced by an amount of tax already paid under the Karnataka Sales Tax Act, 1957 on such motor vehicle subject to production of proof.

(3) The amount of tax leviable under this Act shall, subject to such conditions as may be prescribed, be reduced to the extent of the amount of tax paid, if any, under the law relating to General Sales Tax or Central Sales Tax as may be in force in any other State or Union Territory by an importer who not being a dealer in motor vehicles had purchased the motor vehicle for his own use in that State.”

(5) in Section 4-B as so inserted, in sub-section (1), after the words and figures “Karnataka Sales Tax Act, 1957”, the words and figures “or the Karnataka Value Added Tax Act, 2003”, shall be inserted.

(6) in Section 4-BB as so inserted, in sub-section (1), after the words and figures “Karnataka Sales Tax Act, 1957”, in the two places where it occurs, the words, figures and brackets “or the Karnataka Value Added Tax Act, 2003” shall be inserted.

(7) in Section 7, in sub-section(1), in the proviso, after the words ,figures and brackets, “Karnataka Sales Tax Act 1957 (Karnataka Act 25 of 1957) ”, the words, figures and brackets “or the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)” shall be inserted.

(8) in Section 8, in sub-section (2),

- (i) in clause (ii), for the words “two per cent”, the words “one and a quarter per cent” shall be substituted;
- (ii) the explanation shall be renumbered as “**Explanation I**”;
- (iii) after explanation I, as so renumbered, the following shall be and shall deemed always to have been inserted, namely,-

“Explanation II.- For the purpose of this sub-section, non-payment during any period during which recovery of any amount due under the Act is stayed by an order of any authority or Court in any appeal or other proceedings disputing such amount, shall be deemed to be a ‘default, unless such appeal or other proceeding is allowed by such Authority”

(9) in Section 12, after sub-section (1), the following shall be inserted, namely,-

“(2) Notwithstanding anything contained in sub-section (1), the State Government or the Commissioner may, by notification, authorise officers to exercise powers and discharge duties and perform functions under this Act in respect of such area and such dealer or classes of dealers, or such cases or classes of cases as may be specified in the notification.”

(10) in section 15-A, in sub-section (1),

(i) for the words “sixty days”, the words “ one hundred and twenty days” shall be substituted;

(ii) in the proviso, for the words “ sixty days”, the words “ one hundred and twenty days” shall be substituted.

(11) in Section 18-A,

(i) in sub-section (1), after brackets and words “(hereinafter referred to as the “Sales Tax Act”)”, the words, figures and brackets “or the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004) (hereinafter referred to as the “Value Added Tax Act”)” shall be inserted.

(ii) in sub-section (2), after the words “Sales Tax Act”, the words and figures “or sub-section (2) of Section 53 of the Value Added Tax Act ” shall be inserted.

(iii) in sub-section (2-A), after the words and figures “Karnataka Sales Tax Act, 1957”, the words and figures “or sub-section (2) of Section 53 of the Value Added Tax Act ” shall be inserted.

(iv) in sub-section (3),

(a) after the words “Sales Tax Act”, the words and figures “or sub-section (12) of Section 53 of the Value Added Tax Act ” shall be inserted;

(b) in clause (a), after the words “Sales Tax Act”, the words and figures “ or clause (d) of sub-section (2) of Section 53 of the Value Added Tax Act” shall be inserted.

(v) in sub-section (4), after the words “Sales Tax Act”, the words “or Section 53 of the Value Added Tax Act ” shall be inserted.

7. Amendment of Karnataka Act No.4 of 2004.- In the Karnataka Tax on Lotteries Act, 2004 (Karnataka Act 4 of 2004), in Section 2, in clause (5), after the words “appointed for selling lottery tickets in the State on its behalf by such Government or Country where such Government or Country is not directly selling lottery tickets in the State”, the words “selling, in the State, lottery tickets of such Government or Country where such Government or Country is not directly selling lottery tickets in the State, whether appointed in this behalf or not” shall be and shall be deemed to have been always inserted.

8. Amendment of Karnataka Act No.29 of 2004.- In the Karnataka Special Tax on Entry of Certain Goods Act, 2004 (Karnataka Act 29 of 2004),-

(1) in Section 2,

(i) in sub-section (1),

(a) in clause (b), in sub-clause (i), after the words “Karnataka Sales Tax Act”, the words “or any officer empowered to make an assessment under this Act by the Government or the Commissioner” shall be inserted;

(b) in clause (b), for sub-clause (ii), the following shall be substituted, namely,-

“(ii) in the case of an importer, other than a dealer, the officer-in-charge of the check post, established under the Karnataka Sales Tax Act or the Karnataka Value Added Tax Act through which the notified goods are brought into the State or the Officer who intercepts the goods vehicles while transporting the notified goods if it is intercepted in places other than check post, or the Assistant Commissioner of Commercial Tax appointed under the Karnataka Sales Tax Act having jurisdiction over the area or the officer authorised under this Act to perform his function in respect of the area, in which such importer ordinarily resides;”

(c) after clause (h), the following shall be inserted, namely,-

“(h-1) “**Karnataka Value Added Tax Act**” means the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004);”

(d) in clause (k), after the words “Union Territory”, the words “ but does not include the Central Government or the Government of Karnataka” shall be inserted.

(ii) in sub-section (2), after the brackets, words and figures “(Karnataka Act 25 of 1957)”, the words, figures and brackets “or the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)” shall be inserted.

(2) in Section 3, in sub-section (1), after the words “Karnataka Sales Tax Act”, wherever they occur, the words “or the Karnataka Value Added Tax Act” shall be inserted.

(3) in Section 4, in sub-section (1), after the words “ Karnataka Sales Tax Act” in the three places they occur, the words “or the Karnataka Value Added Tax Act” shall be inserted.

(4) in Section 6, after sub-section (2), the following shall be inserted, namely,-

“(3) Notwithstanding anything contained in sub-section (1), the State Government or the Commissioner may, by notification, authorise officers to exercise powers and discharge duties and perform functions under this Act, in respect of such area and such dealer or classes of dealers, or such cases or classes of cases as may be specified in the notification.”

9. Amendment of Karnataka Act No.32 of 2004.- In the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004),-

(1) Section 5, shall be renumbered as sub-section (1) thereof and after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely,-

“(2) Notwithstanding anything contained in this Act, the Government may, in such circumstances and subject to such conditions as may be specified, by notification, and subject to such rules as may be prescribed, exempt the whole or any part of the tax payable for any period on sales of goods made to or made by a new industrial unit, in respect of which the Government has already notified exemption of tax under the provisions of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), and such exemption on purchases or sales shall be by way of refund of tax collected on purchases or sales made by such industrial unit.”

(2) in Section 15, in sub-section (1), for the words “per annum as may be prescribed”, the words “per annum as may be notified by the Government” shall be substituted.

(3) in Section 22, in sub-section (3), the words and punctuation mark “and every dealer executing a works contract whose receipts or amounts receivable by way of consideration towards work executed exceed fifteen thousand rupees in any one month after the date from which the tax shall be levied,” shall be omitted.

(4) in Section 37, in sub-section (1), for the words “two per cent”, the words “one and a quarter per cent” shall be substituted.

(5) in Section 47,

(i) in sub-section (2), in clause (b), for the words “two per cent”, the words “one and a quarter per cent” shall be substituted;

(ii) after sub-section (4), the following shall be inserted, namely,-

“(5) For the purpose of sub-section (2), non-payment during any period during which recovery of any amount due under this Section is stayed by an order of any authority or Court in any appeal or other proceedings disputing such amount, shall be deemed to be a ‘default’, unless the appeal or other proceeding is allowed by such Authority.”

(6) in Section 65,

(i) in sub-section (1), for the words “one hundred and twenty days”, the words “one hundred and eighty days”, shall be substituted;

(ii) in sub-section (2), for the words “one hundred and twenty days”, the words “one hundred and eighty days”, shall be substituted.

(7) in Section 66, in sub-section (1), after the words and figures “Section 64”, the words and figure “or a dealer aggrieved by the order of the Authority under Section 60” shall be inserted.

(8) in the First Schedule, after the entries relating to serial number 48, the following shall be inserted, namely,-

“49. Avalakki (Beaten Rice) and Mandakki (Parched or puffed rice).

50. Bread and bun.

51. Pappads.

52. Seeds.”

(9) in the Third Schedule,

(i) in entries relating to serial number 13, in column (2), for the words “Bread and bun”, the word “Tea” shall be substituted;

(ii) in the entries relating to serial number 16, after the words “fertilizer mixtures”, the words “including gypsum” shall be inserted;

(iii) in the entries relating to serial number 39, in column (2), for the words “Leaf plates and cups other than those falling under First Schedule”, the words “Lime, lime stone, products of lime, dolomite and other white washing materials” shall be substituted;

(iv) in the entries relating to serial number 41, in column (2), for the words “Mandakki (Parched or puffed rice) and Avalakki (Beaten Rice)”, the words “Medicinal and pharmaceutical preparations” shall be substituted;

(v) in the entries relating to serial number 56, in column (2), for the words “Seeds”, the words “Mixed PVC stabilizer” shall be substituted;

(vi) for the entries relating to serial number 78, the words and figures,

“pulses other than those specified in serial No. 20” shall be substituted .

(vii) the entries relating to Serial Numbers 79 , 80 and 81 shall be omitted.

10. Validation of assessments etc.,- (1) Notwithstanding anything contained in any judgement, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979) (hereinafter referred to as the said Act) before the commencement of the Karnataka Taxation Laws (Amendment) Act, 2005 (hereinafter referred to as the Amendment Act) shall be and shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Act, as amended by clause (4) of Section 6 of the Amendment Act and accordingly,-

- (a) all acts, proceedings or things taken or done by any authority in connection with levy, assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;
- (b) no suit or other proceedings shall be maintained or continued in any Court of Tribunal or before any authority for the refund of any such tax; and
- (c) no Court shall enforce any decree or order directing the refund of any such tax.

(2) Notwithstanding anything contained in any judgement, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka Tax on Lotteries Act, 2004 (Karnataka Act 4 of 2004) (hereinafter referred to as the said Act) before the commencement of the Karnataka Taxation Laws (Amendment) Act, 2005 (hereinafter referred to as the Amendment Act) shall be and shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Act, as amended by Section 7 of the Amendment Act and accordingly,-

- (a) all acts, proceedings or things taken or done by any authority in connection with levy, assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;
- (b) no suit or other proceedings shall be maintained or continued in any Court of Tribunal or before any authority for the refund of any such tax; and
- (c) no Court shall enforce any decree or order directing the refund of any such tax.

By order and in the name of the Governor of Karnataka

G. Dakshina Moorthy
Secretary to Government,
Department of Parliamentary Affairs and Legislation.

KARNATAKA ACT NO 25 OF 2005
THE KARNATAKA ENTERTAINMENTS TAX (AMENDMENT) ACT, 2005
Arrangement of Sections

Sections:

1. Short title and commencement
2. Insertion of new Section 4-AA

STATEMENT OF OBJECTS AND REASONS

To give effect to the decision taken to re-introduce the provision of collection of tax free service charges by the cinema theatre owners for maintenance of the theatres as requested by the film industry.

Hence the Bill.

(L.A. Bill No.23 of 2005)

(Entry 62 of list II of Seventh Schedule to the Constitution of India.)

KARNATAKA ACT NO 25 OF 2005

(First published in the Karnataka Gazette Extra-ordinary on the Twenty fourth day of August, 2005)

THE KARNATAKA ENTERTAINMENTS TAX (AMENDMENT) ACT, 2005

(Received the assent of the Governor on the Twenty second day of August, 2005)

An Act further to amend the Karnataka Entertainments Tax Act, Act, 1958.

Whereas it is expedient further to amend the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958) for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Fifty sixth year of the Republic of India, as follows:-

1. Short title and commencement.- (1) This Act may be called the Karnataka Entertainments Tax (Amendment) Act, 2005.

(2) It shall come into force at once.

2. Insertion of new Section 4-AA.- After Section 4-A of the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958), the following shall be inserted, namely:-

"4-AA. Collection of Service Charges.- Every proprietor of a cinema theatre paying tax on cinematograph show under Section 3-A or 4-A, subject to such rules as may be prescribed, may collect as service charges, an amount not exceeding the amount specified in the table below, on each payment for admission to any class, namely:-

TABLE

Sl. No.	Classification of Theatres	Amount
1	2	3
(a)	Air-conditioned and Air-cooled Theatres	Upto a maximum of one rupee and fifty paise on each payment for admission.
(b)	Other Theatres but excluding Touring Talkies	Upto a maximum of one rupee on each payment for admission.

Provided that the collection of amount under this section by the proprietor of any theatre existing on the date of coming into force of this Section, shall be in addition to the payment for admission prevalent immediately before such commencement.”

By Order and in the name of the Governor of Karnataka,

G. Dakshina Moorthy

Secretary to Government

Department of Parliamentary Affairs and Legislation.

Karnataka Act No. 5 of 2006
THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2006
Arrangement Sections

Sections:

1. Short title and commencement
2. Amendment of Mysore Act IX of 1932
3. Amendment of Karnataka Act 22 of 1957
4. Amendment of Karnataka Act 25 of 1957
5. Amendment of Karnataka Act 30 of 1958
6. Amendment of Act 35 of 1976
7. Amendment of Karnataka Act 22 of 1979
8. Amendment of Karnataka Act 27 of 1979

STATEMENT OF OBJECTS AND REASONS

It is considered necessary to amend the Karnataka Agriculture Income Tax Act, 1957, the Karnataka Sales Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976, the Karnataka Tax on Luxuries Act, 1979 and the Karnataka Tax on Entry of Goods Act, 1979 to give effect to the proposal made in the Budget and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A. Bill No. 6 of 2006]

Karnataka Act No. 5 of 2006

(First published in the Karnataka Gazette Extra-ordinary on the Thirty First day of March, 2006)

THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2006

(Received the assent of the Governor on the Thirty First day of March, 2006)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the fifty-seventh year of the Republic of India, as follows.-

1. Short title and commencement.- (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2006.

(2) It shall come into force with effect from the first day of April, 2006.

2. Amendment of Mysore Act IX of 1932.- In the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), for section 3-A, the following shall be substituted, namely,-

“3-A.Payment of totalisator tax by way of composition.- Notwithstanding anything contained in section 3, but subject to such conditions as may be prescribed, the State Government may, if a licensee so elects, accept in lieu of the totalisator tax payable under section 3 during any year, by way of composition, in respect of a licensee in Bangalore City at the rate of four percent of the total amount of moneys paid into the totalisator and in respect of a licensee in Mysore City at the rate of two percent of the total amount of moneys paid into the totalisator.”

3. Amendment of Karnataka Act 22 of 1957.- In the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957),-

(1) in section 34, in sub-section (1), after the words “State Government”, the words “or the Commissioner” shall be inserted;

(2) in section 42, the explanation to sub-section (1), shall be renumbered as Explanation-I and after the Explanation-I as so renumbered, the following explanations shall be and shall be deemed always to have been inserted, namely:-

“Explanation II .- For the purpose of this sub-section non-payment of tax or other amount during any period during which recovery of any tax or other amount due under the Act is stayed by an order of any authority or Court in any appeal or other proceedings disputing such tax or amount, shall be deemed to be a default.”;

(3) in section 66, for the words and brackets “ any person (other than a company)does not exceed one hundred and fifty acres such person”, the words and comma “a firm does not exceed one hundred and fifty acres, such firm” shall be substituted;

- (i) Part I shall be omitted.
- (ii) in Part II, for the words “forty per cent”, the words “thirty per cent” shall be substituted.
- (iii) for Part III, the following shall be substituted, namely:-

In the case of Company

4. Amendment of Karnataka Act 25 of 1957.- In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957),-

(i) after Explanation II, the following explanation shall be deemed to have been inserted with effect from the first day of April, 1983, and shall be deemed to have been omitted with effect from the first day of April, 2001, namely:-

(ii) after Explanation I, the following explanation shall be deemed to have been inserted with effect from the first day of April, 2001 and shall be deemed to have been omitted with effect from the first day of April, 2002, namely:-

(iii) in the explanation, after clause (4), the following clause shall be deemed to have been inserted with effect from the first day of April, 2002, and shall be deemed to have been omitted with effect from the sixteenth day of November, 2004, namely:-

(2) in section 12, after sub-section (1), the following proviso shall be and shall be deemed to have been inserted with effect from the first day of April, 2005, namely:-

“Provided that nothing contained in this sub-section shall apply to a dealer who is registered under the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)

and who is not a dealer in petrol, diesel, aviation turbine fuel, lottery tickets and sugarcane.”;

(3) in section 12-B, in sub-section (1), after the third proviso, the following shall be and shall be deemed to have been inserted with effect from the first day of April, 2005, namely:-

“Provided also that nothing contained in this sub-section shall apply to a dealer who is registered under the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004) and who is not a dealer in petrol, diesel, aviation turbine fuel, lottery tickets and sugarcane.”;

(4) in section 22, for the words “empowered by the State Government ” wherever they occur, the words “empowered by the State Government or the Commissioner” shall be substituted.

5. Amendment of Karnataka Act 30 of 1958.- In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in section 2,-

(i) for clause (ba), the following shall be substituted, namely:-

“(ba) “**Amusement**” means any amusement and includes playing a game or skill on a machine or riding on a machine or any other carriage or contraption or boat or other vessel or playing in an enclosure or water body or any other specially designed or developed or demarcated surface or area or participating in any contest or game of chance or skill or talent, held or organized or provided in any amusement arcade or amusement park or any other place for which persons are required to make payment for admission or participation; ”;

(ii) in clause (bb), after the words “called headend”, the words “or a tuner or a similar device which enables Direct To Home transmission of television signals” shall be inserted;

(iii) in clause (e),-

(a) in sub-clause (ii), after the words “attached to it”, the words “or without a cable network attached under the Direct To Home scheme” shall be inserted;

(b) in the explanation, for the words “Recognised game”, the word “game” shall be substituted;

(2) in Section 3, for sub-section (1-A) including the table and proviso, the following shall be substituted, namely:-

“(1-A) In respect of entertainments referred to in sub-clause (iii) of clause (e) of Section 2, other than an entertainment on which tax is levied under section 4-E or 4-F, there shall be levied and paid to the State Government on each payment for admission excluding the amount of tax, to such entertainment, entertainments tax at the rate of ten

per cent, if such payment for admission, excluding the amount of tax, is not less than fifty rupees.

Provided that no tax shall be levied in the case of admission to a circus or magic show or game or sport, where it involves no participation.”;

(3) in section 4-C,-

(i) for the word, figure and letter “or 4-B”, the figures, letters and word “4-B or 4-G” shall be substituted;

(ii) after the proviso the following provisos shall be inserted, namely:-

“Provided further that no tax shall be payable under this section, if the proprietor is providing television signals under the Direct To Home scheme:

Provided also that subject to such conditions as may be prescribed, no tax shall be payable under this section, if the proprietor is receiving television signals from a Multi System Operator paying tax under section 4-G.”;

(iii) after the provisos so inserted, the following explanation shall be inserted, namely:-

“Explanation.- (1)A Multi System Operator providing entertainment through antennae or Cable Television directly to subscribers apart from providing satellite television signals to another proprietor, shall be liable to pay tax under this section in addition to his liability to pay tax under section 4-G.

Explanation.-(2)A proprietor being a Direct To Home service provider providing entertainment through antennae or Cable Television directly to subscribers apart from providing satellite television signals under the Direct To Home scheme, shall be liable to pay tax under this section in addition to payment of any tax liability under section 4-G.”;

(4) in section 4-D, for the words “the proprietor may”, the words and comma “any proprietor other than a Multi System Operator or a Direct To Home service provider, may” shall be substituted;

(5) in section 4-E, for the proviso, the following proviso shall be substituted, namely:-

“Provided that no tax shall be levied where the payment for admission excluding the amount of tax, is less than fifty rupees.”;

(6) in section 4-F, for the proviso, the following proviso shall be substituted, namely:-

“Provided that no tax shall be levied where the payment for admission excluding the amount of tax, is less than fifty rupees.”;

(7) in section 4-G,-

(i) in the heading, after the word “Operator”, the words “and Direct To Home service provider” shall be inserted;

(ii) after the words “and packages”, the words “and by a Direct To Home service provider towards providing television signals under the Direct To Home scheme” shall be inserted;

(iii) the following proviso shall be and shall be deemed to have been inserted with effect from the first day of April, 2002, namely:-

“Provided that no tax shall be levied under this section for the period from the 1st day of April, 2002 to 31st day of March, 2006.”;

(8) in section 7, in sub-section (1) in the proviso, the word “recognized” shall be omitted;

(9) in section 8-E, for the words “empowered by the State Government ” wherever they occur, the words “empowered by the State Government or the Commissioner” shall be substituted;

(10) in section 10, in sub-section (1),-

(i) after clause (aaa), the following clause shall be inserted, namely:-

“(aaaa) Such officer shall also have the power,-

(i) to seal any box or receptacle, building or any part of the building in which accounts are suspected to be kept, where the proprietor of any entertainment or the owner or person in charge of the place of entertainment either leaves the premises or is not available or fails or refuses to open any box or receptacle or building or any part of the building when called upon to do so;

(ii) to break open the box or receptacle, building or part of the building where the proprietor or person in charge or the person in occupation leaves the premises or, after any opportunity having been given to him to do so, fails to open the box or receptacle, building or part of the building, and to prepare a list of the goods and documents found therein.”;

(ii) after clause (b), the following clause shall be inserted, namely:-

“(c) All searches and seizures under this section shall be made in accordance with the provisions of Code of Criminal Procedure, 1973 (Central Act 2 of 1974).”;

(11) in section 13, in clause (b),-

(i) for the words, “ten thousand”, the words “two thousand” shall be substituted;

(ii) for the words, “fifteen thousand”, the words “five thousand” shall be substituted.

6. Amendment of Act 35 of 1976.- In the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976),-

(1) in section 10,-

(i) in the heading, after the words “ enrolled persons”, the words “and deduction of tax in the case of certain enrolled persons ” shall be inserted;

(ii) after sub-section (2), the following shall be inserted, namely:-

“(3) Notwithstanding anything contained in sub-sections (1) and (2), the tax payable under this Act by any agent or any other person by whatever name called earning income by way of commission or other remuneration as specified in item 4 of the Schedule, shall be deducted by the insurance company or bank or other financial institution before such commission or other remuneration is paid to him, and such insurance company or bank or other financial institution shall, irrespective of whether such deduction has been made or not when the commission or other remuneration is paid to such person shall be liable to pay tax on behalf of all such persons.

(4) The deduction under sub-section (3) shall be made in the month in which the commission or other remuneration payable for any year exceeds thirty six thousand rupees.

(5) The insurance company or bank or other financial institution making deduction under sub-section (3) shall send every month to the jurisdictional assessing authority a statement in the prescribed form containing particulars of tax deducted during the preceding month and pay full amount of the tax so deducted by it within twenty days after the close of the preceding month in which such deduction was made and the amount so payable shall for the purposes of section 13 be deemed to be an amount due under this Act.

(6) If default is committed in the payment of tax deducted beyond ten days after the period specified under sub-section (5), the insurance company or bank or other financial institution shall be liable to pay interest at 2% of the amount of tax due for each month or part thereof for a period for which the tax remains unpaid.

(7) The insurance company, or bank or other financial institution making deduction under sub-section (3), shall furnish to the enrolled person or person liable to be enrolled from whom such deduction is made, a certificate obtained from the jurisdictional assessing authority containing such particulars as may be prescribed.

(8) Payment by way of deduction in accordance with sub-section (5), shall be without prejudice to any mode of recovery of tax due under this Act from the enrolled person or person liable to be enrolled and the burden of proving that the tax payable by him has already been deducted and remitted under sub-section (5) shall be on such person.”;

(2) for section 13, the following shall be substituted, namely:-

“13. Recovery of tax and other amounts and period of limitation for recovery of tax: (1) Any tax due or assessed, or any other amount due under this Act

from an employer or any other person may, without prejudice to any other mode of collection, be recovered,-

- (a) as if it were an arrears of land revenue; or
- (b) by attachment and sale or by sale without attachment of any property of such employer or any other person by the prescribed authority or the prescribed officer in the prescribed manner, and any prescribed certificate issued towards such sale shall be deemed to be a decree of a Civil Court and shall be executed in the same manner as a decree of such Court; or
- (c) on application to any Magistrate, by such Magistrate as if it were a fine imposed by him.

(2) Notwithstanding anything contained in any law for the time being in force, no proceedings for the recovery of any amount under this Act shall be initiated after the expiry of five years from the end of the relevant year or from the date of the relevant assessment:

Provided that when an appeal or application for revision has been filed, the period of limitation shall run from the date on which the amount due is finally determined.

(3) The period of limitation specified under sub-section (2) shall not apply to any case in which, during the course of recovery proceedings initiated under any clause of sub-section (1) or under section 20, any other fresh proceedings are initiated or the employer has deducted any amount by way of tax or purporting to be by way of tax.”;

(3) in the Schedule,-

- (i) in the entries relating to serial number 20, in column (2), for the words and brackets “Holders of permits of transport vehicles(other than autorickshaws) granted”, the words and brackets “Owners of transport vehicles(other than auto rickshaws) run on their own or through others under permits granted” shall be substituted;
- (ii) the entries relating to serial number 65 shall be omitted.

7. Amendment of Karnataka Act 22 of 1979.- In the Karnataka Tax on Luxuries Act, 1979(Karnataka Act 22 of 1979),-

(1) in section 2,-

- (i) in clause (4-B), for the words “commodity or services specified in the Schedule”, the word “services” shall be substituted;
- (ii) in clause (5-A), for the words “means an”, the words and comma “means a Commercial Tax Officer or an” shall be substituted;
- (iii) clause (6-A) shall be omitted;
- (iv) clause (6-B) along with the exception shall be omitted;

- (v) clause (6-C) shall be omitted;
- (vi) clause (8) shall be omitted;
- (vii) clause (9) shall be omitted;
- (2) in section 4-A,-
 - (i) in the heading, the words “and stockists” shall be omitted;
 - (ii) the words “or a stockist” wherever they occur shall be omitted;
 - (iii) in sub-section (10), the words “or the stockist” shall be omitted;
- (3) chapter III and the sections 4-B and 4-C shall be omitted;
- (4) in section 5, the words “or stockist” occurring in two places shall be omitted;
- (5) in section 5-A, the words “or stockist” wherever they occur shall be omitted;
- (6) in section 6, the words “or stockist” wherever they occur shall be omitted;
- (7) in section 6-A,-
 - (i) in the heading, the words “or stockist” shall be omitted;
 - (ii) in sub-section (1),-
- (a) the words “or a stockist” shall be omitted;
- (b) the words “ or a registered stockist” shall be omitted;
- (iii) in sub-section (2), the words “or stockist” occurring in two places shall be omitted;
- (8) in section 7,-
 - (i) the words “or stockist” occurring in two places shall be omitted;
 - (ii) the proviso shall be omitted;
- (9) in section 7-A,-
 - (i) in sub-section (1),-
 - (a) the words “or turnover of stock of luxuries” shall be omitted;
 - (b) the words “or stockist” shall be omitted;
 - (ii) in sub-section (2),-
 - (a) the words “or turnover of stock of luxuries by the stockist” shall be omitted;
 - (b) the words “or the stockist, as the case may be” shall be omitted;
- (10) in section 8, the words “or stockist” wherever they occur shall be omitted;
- (11) in section 8-A, the words “or stockist” wherever they occur shall be omitted;
- (12) in section 8-C, the words “or stockist” wherever they occur shall be omitted.

- (13) in section 9, in sub-section (1), the words “or stockist” shall be omitted;
- (14) in section 10-A, the words “or stockist” wherever they occur shall be omitted;
- (15) in section 12-A, the words “or class of stockists” shall be omitted;
- (16) in section 12-B,-
- (i) in sub-section (1), for the words “stockists and every proprietor or stockist”, the words “and every proprietor” shall be substituted;
 - (ii) sub-section (3), shall be omitted;
- (17) in section 13, the words “or stockist” occurring in two places shall be omitted;
- (18) in section 17,-
- (i) in sub-section (1), the words “or stockist” shall be omitted;
 - (ii) in sub-section (2),-
 - (a) for the words “the business of any stockist”, the words “management of hospital” shall be substituted;
 - (b) the words “or the value of stock of luxuries” shall be omitted;
 - (iii) in sub-section (3), the words “or stockist” occurring in two places shall be omitted;
 - (iv) in sub-section (4), the words “or stockist” shall be omitted;
- (19) section 17-A shall be omitted;
- (20) section 18 shall be omitted;
- (21) the Schedule shall be omitted.

8. Amendment of Karnataka Act 27 of 1979.- In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979),-

- (1) in section 4BB, in sub-section (3) , the words “ in that State” shall be and shall always be deemed to have been omitted;
- (2) in section 14, in sub-section (1), for the words “empowered by the State Government” wherever they occur, the words “empowered by the State Government or the Commissioner” shall be substituted.

By Order and in the name of the Governor of
Karnataka

G.K. BOREGOWDA
Secretary to Government,
Department of Parliamentary Affairs and Legislation.

KARNATAKA ACT NO 5 OF 2007

THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2007

Arrangement of Sections

Sections:

1. Short title and commencement
2. Amendment of Karnataka Act 25 of 1957
3. Amendment of Karnataka Act 30 of 1958
4. Amendment of Act 35 of 1976
5. Amendment of Karnataka Act 22 of 1979

STATEMENT OF OBJECTS AND REASONS

Amending Act 5 of 2007.- It is considered necessary to amend the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 and the Karnataka Tax on Luxuries Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith and also to amend the Karnataka Sales Tax Act, 1957 to provide for a provision for empowering the State Government to withdraw any notification issued under section 8-A either prospectively or retrospectively to give effect to the decision taken by the State Government with regard to discontinuance of sales tax based incentives to industries as a part of national consensus to bring in reforms in State taxes.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A.Bill No. 22 of 2007]

[Entries 54, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

KARNATAKA ACT NO 5 OF 2007

(First Published in the Karnataka Gazette Extra-ordinary on the Thirtieth day of March, 2007)

THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2007

(Received the assent of the Governor on the Thirtieth day of March, 2007)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the fifty-eighth year of the Republic of India, as follows.-

1. Short title and commencement.- (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2007.

(2) It shall come into force from the first day of April, 2007.

2. Amendment of Karnataka Act 25 of 1957.- In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), in section 8-A, after sub-section (3), the following proviso shall be deemed to have been inserted with effect from the first day of January, 2000, namely:-

“Provided that where Government has withdrawn the scheme of giving exemption of tax to any class or category of new investors in general by way of general or special order and in pursuant to such order, the Government may, by notification, withdraw such exemption including exemption granted by special order, if any, from a retrospective date. However, such date shall not be beyond the date of such general or special order.”

3. Amendment of Karnataka Act 30 of 1958.- In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in Section 3, in sub-section (1-A), in the proviso, after the words “circus”, the words “or drama” shall be inserted;

(2) in section 4-E, for the words “twenty per cent”, the words “ten per cent” shall be substituted;

(3) in section 4-G, for the words “ten per cent”, the words “six per cent” shall be substituted;

(4) in section 6, in sub-section (3), for the word “Commissioner” in the two places it occurs, the words “such authority as may be prescribed” shall be substituted.

4. Amendment of Act 35 of 1976.- In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976),-

(1) in section 10,

(i) in the heading, after the words “ Payment of tax”, the words “and filing of return” shall be inserted;

(ii) for sub-section (1) excluding the proviso, the following shall be substituted, namely:-

“(1)Every enrolled person shall pay the tax payable by him under this Act and file his return before the assessing authority, in such manner and such form as may be prescribed.”

(iii) for sub-sections (3) to (8), the following sub-sections shall be substituted, namely,-

“(3) Notwithstanding anything contained in sub-sections (1) and (2),

(a) the tax payable under this Act by any agent or any other person by whatever name called earning income by way of commission or other remuneration as specified in item 4 of the Schedule, shall be deducted by the insurance company or bank or other financial institution before such commission or other remuneration is paid to him, and such insurance company or bank or other financial institution shall, irrespective of whether such deduction has been made or not when the commission or other remuneration is paid to such person shall be liable to pay tax on behalf of all such persons;

(b) where any salary or wage earner as specified in item 1 of the Schedule is working for any person registered or enrolled under this Act not as his employee but as a part of man power service by whatever name called being provided to him by any other person, the tax payable under this Act by such salary or wage earner shall be deducted by the person registered or enrolled under this Act before any amount is paid to such person providing service to him, and such person shall, irrespective of whether such deduction has been made or not when the amount is paid to such service provider shall be liable to pay tax on behalf of all such salary or wage earners;

(c) where any person registered or enrolled under this Act has taken on rent or hire or on similar terms any transport vehicle (other than auto rickshaws)for more than a month in a year, the tax payable by the owner of such transport vehicle shall be deducted by such person registered or enrolled under this Act before any amount is paid as rent or by whatever name called to the owner, and such person shall, irrespective of whether such deduction has been made or not when the rent or other amount is paid to such owner shall be liable to pay tax on behalf of all such owners ;

(d) the tax payable under this Act by any licensed race horse owner, trainer, jockey or book maker as specified in item 11 of the Schedule shall be deducted by the turf club or race club which has given him the licence before any amount is paid to such person for whatever reason, and such turf or race club shall, irrespective of whether such deduction has been made or not when any amount is paid to such person shall be liable to pay tax on behalf of all such persons; and

(e) the tax payable by any medical practitioner as specified in item 6 of the Schedule, shall be deducted by the person owning or running the nursing home, hospital, pathological testing laboratory or the X-ray clinic in which such medical practitioner carries on his profession other than as a salaried person, before any amount is paid to such medical practitioner, and such person shall, irrespective of whether such deduction has been made or not when any amount is paid to such medical practitioner shall be liable to pay tax on behalf of all such medical practitioners.

Provided that no deduction shall be made for any year under this sub-section from any enrolled person or person liable to be enrolled who produces copy of the return filed by him for that year.

(4) (a) The deduction under clause (a) of sub-section (3) shall be made in the month in which the commission or other remuneration payable for any year exceeds thirty six thousand rupees.

(b) The deduction under clause (b) of sub-section (3) shall be made every month in which the amount payable to a person exceeds three thousand rupees.

(c) The deduction under clauses (c) to (e) of sub-section (3) shall be made in the month in which any amount is paid for the first time in that year to the said persons.

(5) The person making deduction under sub-section (3) shall send every month to the jurisdictional assessing authority a statement in the prescribed form containing particulars of tax deducted during the preceding month and pay full amount of the tax so deducted by it within twenty days after the close of the preceding month in which such deduction was made and the amount so payable shall for the purposes of Section 13 be deemed to be an amount due under this Act.

(6) If default is committed in the payment of tax deducted beyond ten days after the period specified under sub-section (5), such person shall be liable to pay interest at 2% of the amount of tax due for each month or part thereof for a period for which the tax remains unpaid.

(7) The person making deduction under sub-section (3), shall furnish to the enrolled person or person liable to be enrolled from whom such deduction is made, a certificate obtained from the jurisdictional assessing authority containing such particulars as may be prescribed.

(8) Payment by way of deduction in accordance with sub-section (5), shall be without prejudice to any mode of recovery of tax due under this Act from the enrolled person or person liable to be enrolled and the burden of proving that the tax payable by him has already been deducted and remitted under sub-section (5) shall be on such person."

(2) in the Schedule,-

(i) for the entries relating to serial number 69, the following entries shall be substituted, namely:-

- “69. Persons engaged in maintenance or running of vehicle including bicycle parking places or areas
 (i) in the Bangalore Urban Agglomeration Rs.2,500 per annum
 (ii) in any other area in the State Rs.1,500 per annum
70. Persons owning or running places providing massage, sauna and other health and beauty improvement services,
 (i) in the Bangalore Urban Agglomeration Rs.2,500 per annum
 (ii) in any other area in the State Rs.1,500 per annum
71. Persons acting as brokers, commission agents and the like for purchase and sale of old or used motor vehicles,
 (i) in the Bangalore Urban Agglomeration Rs.2,500 per annum
 (ii) in any other area in the State Rs.1,500 per annum
72. Persons acting as agents, consultants and the like for any company or firm engaged in any business,
 (i) in the Bangalore Urban Agglomeration Rs.2,500 per annum
 (ii) in any other area in the State Rs.1,500 per annum
73. Persons other than those mentioned in any of the preceding entries who are engaged in any profession, trade, calling or employment and who are paying tax under the Income Tax Act, 1961 (Central Act 43 of 1961) Rs. 2,500 per annum
74. Persons other than those mentioned in any of the preceding entries who are engaged in professions, trades, callings or employments as the State Government from time to time by notification specify Rs.1,000 per annum ”

(ii) in the Explanation IV, for the figures and word “64 and 66”, the figures, brackets and word “64, 66, 69(i), 70(i), 71(i), 72(i) and 73” shall be substituted.

5. Amendment of Karnataka Act 22 of 1979.- In the Karnataka Tax on Luxuries Act, 1979(Karnataka Act 22 of 1979),

(1) in section 2, in clause (1-C), for the words “charges for hospital”, the words “charges for luxuries provided in a hospital” shall be and shall always be deemed to have been substituted;

(2) in section 3, in sub-section (1), in the second proviso, after the words “in India”, the words “other than such foreign diplomatic mission as may be notified” shall be inserted;

(3) in section 3-E, for sub-section (1), the following shall be and shall always be deemed to have been substituted, namely:-

“(1) There shall be levied and collected a tax at the rate of eight per cent on the charges collected for luxuries provided in a hospital in a room such as accommodation, air conditioning, telephone, telephone calls, television, radio, music, extra beds and the like, where such charges are more than one thousand rupees per day per room.”

(4) in section 4, for sub-section (3), the following shall be substituted, namely:-

“(3) Where luxury provided in a hotel to any person is charged at a concessional rate, then the tax on such luxury, shall be levied and collected on such lower charges where such lower charges are allowed as a result of any discount allowed in general or is in accordance with the terms of a contract or agreement entered into in a particular case and also where such discount allowed is published in tariff cards or displayed or disclosed in writing, in any manner for information.”

(5) in Section 17, for sub-section (4), the following shall be substituted with effect from the first day of April, 2006, namely:-

“(4) For the purposes of this Act, the Luxury Tax Officer or the person authorised by him in this behalf or the officer authorised under sub-section (1), may enter and search any hotel or any place of business of the proprietor or any other place where the Luxury Tax Officer or the officer authorised under sub-section (1) has reason to believe that the proprietor keeps, or is for the time being keeping, any records of accounts, registers or other documents relating to his business.”

By Order and in the name of the Governor of
Karnataka

G. K. BOREGOWDA
Secretary to Government,
Department of Parliamentary Affairs and
Legislation

KARNATAKA ACT NO. 25 of 2007

(First Published in the Karnataka Gazette Extra-ordinary on the twenty eighth day of August 2007)

THE KARNATAKA ENTERTAINMENTS TAX (AMENDMENT) ACT, 2007

Arrangement of Sections

Sections:

1. Short title and commencement
2. Amendment of section 4-E

STATEMENT OF OBJECTS AND REASONS

Amending Act 25 of 2007.- It is considered necessary to amend the Karnataka Entertainments Tax Act, 1958 to reduce the tax payable by a proprietor of amusement in order to encourage tourism in the State.

Hence the Bill.

[L.A.Bill No 40 of 2007]

[Entry 62 of List II of the Seventh Schedule to the Constitution of India.]

Karnataka Act No. 25 of 2007

(First Published in the Karnataka Gazette Extra-ordinary on the twenty eighth day of August 2007)

THE KARNATAKA ENTERTAINMENTS TAX (AMENDMENT) ACT, 2007

(Received the assent of the Governor on the twenty third day of August 2007)

An Act further to amend the Karnataka Entertainments Tax Act, 1958.

Whereas, it is expedient further to amend the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958) for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the fifty eighth year of the Republic of India as follows:-

1. Short title and commencement.- (1) This Act may be called the Karnataka Entertainments Tax (Amendment) Act, 2007.

(2) It shall come into force at once.

2. Amendment of section 4-E.- In section 4-E of the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958), for the words "ten percent" the words "five percent" shall be substituted.

By Order and in the name of the Governor of Karnataka,

G.K. BOREGOWDA

Secretary to Government,

Department of Parliamentary Affairs and Legislation

ನಿರ್ದೇಶಕರು, ಮುದ್ರಣ, ಲೇಖನ ಸಾಮಗ್ರಿ ಮತ್ತು ಪ್ರಕಟಣೆಗಳ ಇಲಾಖೆ, ಬೆಂಗಳೂರು.

KARNATAKA ACT NO 6 OF 2008
THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2008

Arrangement of Sections

Sections:

1. **Short title and commencement**
2. **Amendment of Mysore Act IX of 1932**
 - 3-A. **Payment of totalisator tax by way of composition**
 - 2A. **Amendment of Karnataka Act 25 of 1957**
3. **Amendment of Karnataka Act 30 of 1958**
 - 3-C. **Special provision in respect of certain films**
4. **Amendment of Act No.35 of 1976**
5. **Amendment of Karnataka Act 22 of 1979**
 9. **Appeals**
6. **Validation of assessments, etc.,-**

STATEMENT OF OBJECTS AND REASONS

It is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 and the Karnataka Tax on Luxuries Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith or incidental thereto.

Opportunity is also taken to rationalise taxation and make certain consequential amendments also.

Hence the Bill.

(LA Bill No. 3 of 2008, File No.DPAL 11 Shashana 2008)

[Entries 54, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.)

KARNATAKA ACT NO. 6 OF 2008

(First Published in the Karnataka Gazette Extra-ordinary on the Second day of August, 2008)

THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2008

(Received the assent of the Governor on the First day of August, 2008)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the fifty-ninth year of the Republic of India, as follows.-

1. Short title and commencement.- (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2008.

(2) It shall come into force with effect from the first day of August, 2008.

2. Amendment of Mysore Act IX of 1932.- In the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), for section 3-A, the following shall be substituted, namely :-

"3-A. Payment of totalisator tax by way of composition.- Notwithstanding anything contained in section 3, but subject to such conditions as may be prescribed, the State Government may if a licensee so elects, accept in lieu of the totalisator tax payable under section 3 during any year, by way of composition, an amount at the rate of four percent of the total amount of moneys paid into the totalisator.

Explanation: Where rate of composition amount is varied in the middle of the year, the tax may be compounded, for the part of year at the rates applicable to that part of the year."

2A. Amendment of Karnataka Act 25 of 1957.- In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), in section 20, in sub-section (5), after clause (b), in the second proviso as it existed prior to the first day of August, 2004, for the words "shall be completed", the words "as far as possible may be completed" shall be and shall be deemed to have been *substituted* from the first day of April, 2002 .

3. Amendment of Karnataka Act 30 of 1958.- In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) for section 3-C, the following shall be substituted, namely:-

"3-C. Special provision in respect of certain films.- Notwithstanding anything contained in sections 3 and 3-A, no tax shall be levied under the said sections on a cinematograph show of a Kannada, Kodava, Konkani, Tulu or Banjara film which is not a dubbed version of a film of other language, subject to production of a certificate by the proprietor, as may be prescribed."

(2) in section 4-A, in sub-section (1), for the provisos, the following proviso shall be substituted, namely:-

"Provided that no tax shall be levied under this sub-section on a cinematograph show of a Kannada, Kodava, Konkani or Tulu film which is not a dubbed version of a film of other language, subject to production of a certificate by the proprietor, as may be prescribed ."

(3)in section 8-B, in sub-section (3),-

(a) in sub-clause (a), after the words “in appeal”, the words “and one half of the tax or other amount disputed in appeal” shall be inserted;

(b) for the proviso, the following proviso shall be *substituted*, namely:-

“ Provided that the appellate authority may, in its discretion, stay payment of the balance half of tax or other amount disputed in appeal, if the appellant furnishes security to its satisfaction in such form and in such manner as may be prescribed.”

(c) after the proviso so substituted, the following provisos shall be *inserted*, namely:-

“ Provided further that where any application made by an applicant for staying proceedings of recovery of any tax or other amount has not been disposed of by the Appellate Authority within a period of thirty days from the date of such application, it shall be deemed that the Appellate Authority has made an order staying proceedings of recovery of such tax or other amount subject to payment of one half of the tax or other amount disputed and furnishing security to the satisfaction of the assessing authority in regard to the other half of such tax or amount within a further period of fifteen days:

Provided also that where an order staying proceedings of recovery of any tax or other amount is passed under the first proviso, the Appellate Authority shall dispose of the appeal within a period of one hundred twenty days from the date of such order:

Provided also that if such appeal is not so disposed of within the period specified in third proviso, the order of stay shall stand vacated after the expiry of the said period and the Appellate Authority shall not make any further order staying proceedings of recovery of the said tax or other amount.”

(d) after the provisos so inserted, the following explanation shall be *inserted*, namely:-

“Explanation.- Every appeal filed after the commencement of the Karnataka Taxation Laws (Amendment) Act, 2008, shall be subject to clause (a) and the provisos of this sub-section.”

(4) in section 8-E,-

(a) in sub-section (4), after the words “accompanied by”, the words “proof of payment of one half of tax or other amount disputed and also” shall be inserted;

(b) for sub-section (6) including the first proviso, the following shall be *substituted*, namely:-

“(6) Notwithstanding that an appeal has been preferred under sub-section (1), and notwithstanding anything contained in any other law, tax or any other amount shall be paid in accordance with the assessment or other order made in the case:

Provided that the Appellate Tribunal may, in its discretion, stay payment of balance half of the tax or other amount disputed, if the appellant furnishes sufficient security to its satisfaction in such form and in such manner as may be prescribed:

Provided further, that the Appellate Tribunal shall dispose of such appeal within a period of one hundred eighty days from the date of the order staying proceedings of recovery of such balance half of tax or other amount:

Provided also that if such appeal is not so disposed of within the period specified in second proviso, the order of stay shall stand vacated and the Appellate Tribunal shall not make any further order staying proceedings of recovery of the said tax or other amount.”

(c) in the second proviso as it exists prior to the commencement of this Act, for the word “further”, the word “also” shall be *substituted*;

(d) after the fourth proviso so amended, the following explanation shall be *inserted*, namely:-

“Explanation.- Every appeal filed after the commencement of the Karnataka Taxation Laws (Amendment) Act, 2008 shall be subject to sub-sections (4) and (6).”

4. Amendment of Act No.35 of 1976.- In the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976 (Karnataka Act No.35 of 1976), in the Schedule,-

(1) in serial number 1, in column (2), the entries relating to item (a) and the corresponding entries in column (3) shall be omitted;

(2) after the entries relating to serial number 18, as it existed prior to the first day of April, 2003, the following explanation, shall be and shall always be deemed to have been *inserted*, namely:-

“Explanation.- For the purpose of this entry, ‘banking companies’ shall include any bank whose operations are governed by the provisions of the Banking Regulation Act, 1949 (Central Act 10 of 1949).”

(3) after the entries relating to serial number 24, the following explanation, shall be deemed to have been *inserted with effect* from the first day of April, 2003, namely:-

“Explanation.- For the purpose of this entry, ‘banking companies’ shall include any bank whose operations are governed by the provisions of the Banking Regulation Act, 1949 (Central Act 10 of 1949).”

5. Amendment of Karnataka Act 22 of 1979.- In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979),-

(1) in section 3-C, for the words “fifteen per cent”, the words “twenty per cent” shall be substituted;

(2) in section 4, for sub-section (3), the following shall be *substituted*, namely:-

“(3)Where luxury provided in a hotel to any person (not being an employee of the hotel), is not charged at all, or is charged at a concessional rate, then the tax on such luxury shall be levied and collected as if full charges for such luxury were paid to the proprietor of the hotel.”

(3) for section 9, the following shall be *substituted*, namely:-

“9. Appeals.- (1) Any proprietor objecting to any order or proceedings passed under the provisions of this Act, by the Luxury Tax Officer, may appeal to the Appellate Authority as may be prescribed.

(2) The appeal shall be preferred,-

(a) in respect of an order of assessment, within thirty days from the date on which the notice of assessment, was served on the appellant, and

- (b) in respect of any other order or proceedings, within thirty days from the date on which the order was communicated to the appellant:

Provided that the Appellate Authority may admit an appeal preferred after the period as aforesaid, but within a further period of one hundred and eighty days, if it is satisfied that the appellant had sufficient cause for not preferring the appeal within that period.

(3) (a) Notwithstanding that an appeal has been preferred under sub-section (1), the tax or other amount due shall be paid in accordance with the order or proceedings against which an appeal has been preferred.

(b) No appeal against an order of assessment shall be entertained by the Appellate Authority, unless it is accompanied by satisfactory proof of the payment of, tax and other amount due if any, not disputed in the appeal and one half of the tax or other amount disputed in appeal.

Provided that the Appellate Authority may, in its discretion, stay payment of the balance half of tax or other amount disputed in appeal, if the appellant furnishes security to its satisfaction in such form and in such manner as may be prescribed:

Provided further that where any application filed for staying proceedings of recovery of any tax or other amount has not been disposed of by the Appellate Authority within a period of thirty days from the date of such application, it shall be deemed that the Appellate Authority has made an order, staying proceedings of recovery of such tax or other amount subject to payment of one half of the tax or other amount disputed and furnishing of sufficient security to the satisfaction of the Luxury Tax Officer in regard to the remaining half of such tax or amount within a further period of fifteen days:

Provided also that where an order staying proceedings of recovery of any tax or other amount is passed in any proceedings relating to an appeal under sub-section (1), the Appellate Authority shall dispose of the appeal within a period of one hundred twenty days from the date of such order:

Provided also that if such appeal is not so disposed of within the period specified in third proviso, the order of stay shall stand vacated after the expiry of the said period and the Appellate Authority shall not make any further order staying proceedings of recovery of the said tax or other amount.

(4) The appeal shall be in the prescribed form and shall be verified in the prescribed manner.

(5) In disposing of an appeal, the Appellate Authority may, after giving the appellant a reasonable opportunity of being heard,-

(a) in the case of an order of assessment or penalty,-

(i) confirm, reduce or enhance the assessment including any part thereof whether or not such part is objected to in the appeal;

(ii) pass such other orders as it may think fit; and

(b) in the case of any other order or proceedings, confirm, cancel or vary such order.

Provided that in disposing of an appeal, the Appellate Authority shall not set aside any order or proceedings of assessment or any other order and direct the Luxury Tax Officer to make a fresh assessment or to make a fresh order:

Provided further that the Appellate Authority shall pass an order disposing of an appeal, within a period of thirty days from the date on which the hearing of the case was concluded and where it is not practicable so to do on the ground of the exceptional and extraordinary circumstances of the case, the Appellate Authority shall fix a future date for passing the order, and such day shall not be a day beyond sixty days from the date on which the hearing of the case was concluded, with due notice of the same to the appellant.

(6) Every order passed on appeal under this section shall, subject to the provisions of sections 11 and 11-A, be final.

Explanation.- Every appeal filed after the commencement of the Karnataka Taxation Laws (Amendment) Act, 2008 shall be subject to this section.”;

(4) in section 11,-

- (a) in sub-section (3), after the words “accompanied by”, the words “proof of payment of one half of the tax or other amount disputed and also” shall be inserted;
- (b) for sub-section (6) including the proviso, the following shall be *substituted*, namely:-

“(6) Notwithstanding that an appeal has been preferred under sub-section (1), and notwithstanding anything contained in any other law, tax or any other amount shall be paid in accordance with the assessment or other order made in the case:

Provided that the Appellate Tribunal may, in its discretion, stay the payment of the balance half of the tax or other amount disputed, if the appellant furnishes sufficient security to its satisfaction in such form and in such manner as may be prescribed:

Provided further that the Appellate Tribunal shall dispose of such appeal within a period of one hundred eighty days from the date of the order staying proceedings of recovery of such half of the tax or other amount and, if such appeal is not so disposed of within the period specified, the order of stay shall stand vacated and the Appellate Tribunal shall not make any further order staying proceedings of recovery of the said tax or other amount.

Explanation.- Every appeal filed after the commencement of the Karnataka Taxation Laws (Amendment) Act, 2008 shall be subject to this section.”

6. Validation of assessments, etc.,-Notwithstanding anything contained in any judgement, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) and the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976 (Karnataka Act No. 35 of 1976) (hereinafter referred to as the said Acts) before the commencement of this Act shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Acts, as amended by this Act and accordingly,-

- (a) all acts, proceedings or things taken or done by any authority in connection with levy, assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;

- (b) no suit or other proceedings shall be maintained or continued in any Court or Tribunal or before any authority for the refund of any such tax; and
- (c) no Court shall enforce any decree or order directing the refund of any such tax.

ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರ ಆದೇಶಾನುಸಾರ ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ

ಜಿ.ಕೆ. ಬೋರೇಗೌಡ

ಸರ್ಕಾರದ ಕಾರ್ಯದರ್ಶಿ,

ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು ಶಾಸನ ರಚನಾ ಇಲಾಖೆ.

ಸರ್ಕಾರಿ ಮುದ್ರಣಾಲಯ, ವಿಕಾಸ ಸೌಧ ಘಟಕ, ಬೆಂಗಳೂರು - ೦೧.

KARNATAKA ACT NO 7 OF 2009
THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2009

Arrangement of Sections

Sections:

1. **Short title and commencement**
2. **Amendment of Mysore Act IX of 1932**
3. **Amendment of Karnataka Act 30 of 1958**
4. **Amendment of Act 35 of 1976**
5. **Amendment of Karnataka Act 22 of 1979**

STATEMENT OF OBJECTS AND REASONS

Amending Act 7 of 2009.- It is considered necessary to amend the Mysore Betting tax Act, 1932, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976 and the Karnataka Tax on Luxuries Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill.

(LA Bill No.21 of 2009, File No. DPAL 13 Shasana 2009)

[Entries 60 and 62 of List II of the Seventh Schedule to the Constitution of India.)

KARNATAKA ACT NO 7 OF 2009

(First Published in the Karnataka Gazette Extra-ordinary on the Eighteenth day of March,
2009)

THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2009

(Received the assent of the Governor on sixteenth day of March, 2009)

An Act further to amend certain taxation laws inforce in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Sixtieth year of the Republic of India, as follows.-

1. Short title and commencement.- (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2009.

(2) It shall come into force with effect from the First day of April, 2009.

2. Amendment of Mysore Act IX of 1932.- In the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932),-

(1) for section 6, the following shall be substituted, namely:-

“6. Betting Tax.- (1) There shall be levied and collected a tax, referred to as the Betting Tax, on the bets made by backers in an enclosure set apart by the licensee in accordance with the provisions of Mysore Race Courses Licensing Act, 1952 (Mysore Act No. VIII of 1952) through a licensed bookmaker on any race, whether run on the same race course or on any other race course either within the State or outside the State, at a rate not exceeding fifty thousand rupees for each day of a race meeting as may be specified by the State Government by a notification.

(2) The betting tax levied under sub-section (1) shall be paid by every licensed bookmaker.”

(2) for section 7, the following shall be substituted, namely:-

“7. Payment of betting tax.- Every licensed bookmaker shall pay the betting tax levied under section 6, in the manner and within such time along with a return in such form and manner as may be prescribed.”

3. Amendment of Karnataka Act 30 of 1958.- In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in Section 3,-

(a) in sub-section (1), in clause (b), for the figures and words “40 per cent”, the figures and words “30 per cent” shall be substituted;

(b) in sub-section (1-A), after the proviso, the following proviso shall be inserted, namely:-

“Provided further that admission to a game or sport involving proprietary teams, that is played for prize moneys and organized on commercial basis shall not be exempted from tax under the first proviso.”;

(2) in section 4-G, after the words “amounts received”, the words “or receivable” shall be inserted;

(3) in section 6-A, after sub-section (4), the following shall be inserted, namely:-

“(5) No assessment under this section for any prescribed period shall be made after a period of one year on the date on which the return under sub-section (1) for that prescribed period is submitted by a proprietor.

Provided that the assessment proceedings relating to any prescribed period ending before the commencement of the Karnataka Taxation Laws (Amendment) Act, 2009 in respect of which a return under sub-section (1) has been submitted before such commencement, shall be completed within a period of one year on the date of such commencement:

Provided further that the Commissioner may direct assessment of cases on random basis.

Provided also that nothing in this sub-section limiting the time within which assessment may be made, shall apply to an assessment made in consequence of, or to give

effect to, any findings, directions or orders made under section 8-B, 8-C, 8-D or 8-E or any judgment or order made by any Court.

(6) In computing the period of limitation for assessment under this section,-

(a) the time during which the proceedings for assessment in question have been deferred on account of any stay order granted by any Court or any other authority shall be excluded;

(b) the time during which the assessment has been deferred in any case or clause of cases by the Joint Commissioner for reasons to be recorded in writing shall be excluded.

(7) Where an assessment under this section is not concluded within the time specified in sub-section (5), the complimentary tickets and payment for admissions declared by a proprietor in his return shall be deemed to have been assessed for that prescribed period on the basis of said return and provisions of this Act relating to assessment of escaped complimentary ticket or payment for admission to any entertainment, payment and recovery, appeal and revision shall *mutatis mutandis* apply to such deemed assessment.

(8) Notwithstanding anything contained in this section, the Government may notify, subject to such conditions as may be specified, that assessment of any specified class of proprietors for any prescribed period shall be deemed to have been made on the basis of the return submitted under sub-section (1) without requiring presence of the proprietor or production of accounts and other documents by the proprietor.” ;

(4) after section 8-E, the following shall be inserted, namely:-

“8-F. Revision by High Court in certain cases.- (1) Within one hundred and eighty days from the date on which an order under sub-section (5) or (7) or (8) of Section 8-E was communicated to him, the appellant or the respondent may prefer a petition to the High Court against the order on the ground that the Appellate Tribunal has either failed to decide or decided erroneously any question of law.

(2) The High Court may admit a petition preferred after the period of one hundred and eighty days aforesaid if it is satisfied that the petitioner has sufficient cause for not preferring the petition within that period.

(3) The petition shall be in the prescribed form, shall be verified in the prescribed manner, and shall, when it is preferred by any person other than an officer empowered by the Government under sub-section (1) of Section 8-E, be accompanied by a fee of one hundred rupees.

(4) If the High Court, on perusing the petition, considers that there is no sufficient ground for interfering, it may dismiss the petition summarily:

(5) The High Court shall not dismiss any petition unless the petitioner has had a reasonable opportunity of being heard in support thereof.

(6) (a) If the High Court does not dismiss the petition summarily, it shall, after giving both the parties to the petition a reasonable opportunity of being heard, determine the question or questions of law raised and either reverse, affirm or amend the order against which the petition was preferred or remit the matter to the Appellate Tribunal with the

opinion of the High Court on the question or questions of law raised or pass such other order in relation to the matter as the High Court thinks fit.

(b) Where the High Court remits the matter to the Appellate Tribunal under clause (a) with its opinion on questions of law raised, the latter shall amend the order passed by it in conformity with such opinion.

(7) Before passing an order under sub-section (6) the High Court may, if it considers necessary so to do remit the petition to the Appellate Tribunal and direct it to return the petition with its finding on any specific question or issue.

(8) Notwithstanding that a petition has been preferred under sub-section (1), the tax shall be paid in accordance with the assessment made in the case.

(9) If as a result of the petition, any change becomes necessary in such assessment, the High Court may authorize the prescribed authority to amend the assessment and the prescribed authority shall amend the assessment accordingly and thereupon the amount overpaid by the person concerned shall be refunded to him without interest or the additional amount of tax due from him shall be collected in accordance with provisions of this Act, as the case may be.

(10) (a) The High Court may, on the application of either party to the petition, review any order passed by it under sub-section (6) on the basis of facts which were not before it when it passed the order.

(b) The application for review shall be preferred within such time and in such manner as may be prescribed, and shall where it is preferred by any person other than an officer empowered by the Government under sub-section (1) of Section 8-E be accompanied by a fee of one hundred rupees.

(11) (a) With a view to rectifying any mistake apparent from the record, the High Court may, at any time within five years from the date of the order passed by it under sub-section (6), amend such order.

(b) The High Court shall not pass an order under this sub-section without giving both parties affected by the order a reasonable opportunity of being heard.

(12) In respect of every petition preferred under sub-section (1) or (10), the costs shall be in the discretion of the High Court."

4. Amendment of Act 35 of 1976.- In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976),-

(1) in section 5, after sub-section (4), the following shall be inserted, namely:-

"(5) Where an employer or a person liable for registration or enrolment has failed to apply for such registration or enrolment within the time specified, the assessing authority shall, after giving him a reasonable opportunity of being heard, impose a penalty of one thousand rupees in the case of an employer and five hundred rupees in the case of any other person." ;

(2) in section 6-A, after sub-section (3), the following shall be inserted, namely:-

“(4) Where an employer has failed to furnish a statement in the prescribed form or failed to pay the tax due on any statement furnished as required under the Act, the assessing authority shall, after giving him a reasonable opportunity of being heard, impose a penalty of two hundred and fifty rupees.”;

(3) in section 7,-

(a) for sub-section (1), the following shall be substituted, namely:-

“(1) Notwithstanding anything contained in sub-section (2) as it existed prior to commencement of the Karnataka Taxation Laws(Amendment) Act, 2009, every employer shall be deemed to have been assessed to tax based on the return filed by him under section 6 for any year commencing from the first day of April, 2008, except in cases where the Commissioner may notify the employer of any requirement of production of accounts before the assessing authority in support of a return filed for any year and such authority shall proceed to assess such dealer,-

(a) on the basis of the return filed where he is satisfied that the return filed is correct and complete, or

(b) to the best of its judgment, where the return filed appears to be incorrect or incomplete, after giving the employer an opportunity of showing cause against such assessment in writing.” ;

(b) for sub-section (2), the following shall be substituted, namely:-

“(2) Notwithstanding anything contained in this section as it existed prior to commencement of the Karnataka Taxation Laws (Amendment) Act, 2009, the Government may notify, subject to such conditions as may be specified, that assessment of any specified class of employers for any year shall be deemed to have been made on the basis of the return submitted under sub-section (1) without requiring the presence of the employer or production of accounts and other documents by the employer.” ;

(4) in section 21, after the words “Any authority”, the words “or any officer authorised by the Commissioner either generally or specifically” shall be inserted;

(5) in section 26, in sub-section (1), after the words “assessing authority”, the words “or the officer authorised under section 21” shall be inserted;

(6) in the Schedule, in serial number 1, in column (2),-

(a) the entries relating to item (b) and the corresponding entries in column (3) shall be omitted;

(b) the entries relating to item (c) and the corresponding entries in column (3) shall be omitted.

5. Amendment of Karnataka Act 22 of 1979.- In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979),-

(1) in section 3, for sub-section (1), the following shall be substituted, namely:-

“3. Levy and collection of tax on luxury provided in a hotel.- (1) Subject to the provisions of this Act, there shall be levied and collected a tax on the luxury provided in a hotel in respect of every room (to be known as `Luxury Tax') at the following rates, namely:-

Serial Number	Charges	Rate of tax
1	Where the charges for lodging per room per day are not less than five hundred rupees but not more than one thousand rupees	Four per cent of such charges
2	Where the charges for lodging per room per day are more than one thousand rupees but not more than two thousand rupees	Six per cent of such charges
3	Where the charges for lodging per room per day are more than two thousand rupees	Ten per cent of such charges

Provided that where charges for lodging are payable otherwise than on daily basis, then, for the purposes of determining the tax liability under this section, the charges shall be computed as for a day, based on the period of lodging for which the charges are payable.

Provided further that where any charges for lodging are paid by any person who is a member of the Foreign Diplomatic Mission in India, other than such foreign diplomatic mission as may be notified then such person shall be exempt from payment of tax. ” ;

(2) in section 3-B, for the words “twenty per cent”, the words “ten per cent” shall be substituted;

(3) in section 3-C, for the words “twenty per cent”, the words “ten per cent” shall be substituted;

(4) in section 4, for sub-section (3), the following shall be substituted, namely:-

“(3) Where luxury provided in a hotel to any person is charged at a concessional rate, then the tax on such luxury, shall be levied and collected on such lower charges where such lower charges are allowed as a result of any discount allowed in general or is in accordance with the terms of a contract or agreement entered into in a particular case and also where such discount allowed is published in tariff cards or displayed or disclosed in writing, in any manner for information.” ;

(5) in section 12-A, for the words “specified class of hotels”, the words “specified class of hotels, marriage halls, clubs and hospitals” shall be substituted.

By Order and in the name of the Governor of
Karnataka

G.K. BOREGOWDA
Secretary to Government,
Department of Parliamentary Affairs and
Legislation

ಸರ್ಕಾರಿ ಮುದ್ರಣಾಲಯ, ವಿಕಾಸ ಸೌಧ ಘಟಕ, ಬೆಂಗಳೂರು.

KARNATAKA ACT NO 5 OF 2010

THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2010

Arrangement of Sections

Sections:

1. Short title and commencement
2. Amendment of Karnataka Act 25 of 1957
3. Amendment of Karnataka Act 30 of 1958
4. Amendment of Karnataka Act 35 of 1976
5. Amendment of Karnataka Act 22 of 1979
6. Amendment of Karnataka Act 27 of 1979
7. Validation of assessments, etc.

STATEMENT OF OBJECTS AND REASONS

Amending Act 5 of 2010.- It is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Tax on Luxuries Act, 1979 and the Karnataka Tax on Entry of Goods Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith and specifically to,

- (i) amend the Karnataka Sales Tax Act, 1957 to provide for levy of tax on supply of goods by an association or a body of persons like clubs, registered or unregistered, to its members retrospectively from second day of February, 1983 from which day by the forty-sixth amendment to the Constitution of India, the State Legislature was empowered to levy tax on such transactions so as to remove doubts raised in this regard because of the judgment of the Hon'ble High Court of Karnataka in the case of Century Club and Others versus The State of Mysore and another, declaring the provisions made in the Karnataka Sales Tax Act, 1957 before such constitutional amendment for levy of tax on such transactions as void and inoperative.
- (ii) provide for collection of entry tax in advance under the Karnataka Tax on Entry of Goods Act, 1979 at the point of sugar factories selling sugar to dealers who subsequently cause entry of such sugar into any local area in the State.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A.Bill No. 9 of 2010, File No.DPAL 12 Shasana 2010]

[Entry 52,54, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

KARNATAKA ACT NO 5 OF 2010

(First Published in the Karnataka Gazette Extra-ordinary on the thirtieth day of March, 2010)

THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2010

(Received the assent of the Governor on the twenty ninth day of March, 2010)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Sixty First year of the Republic of India, as follows.-

1. Short title and commencement.- (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2010.

(2) It shall come into force with effect from the First day of April, 2010.

2. Amendment of Karnataka Act 25 of 1957.- In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957),-

(1) in section 2, in sub-section (1),-

(a) in clause (k), after sub-clause (vi), the following sub-clause shall be and shall be deemed to have been inserted with effect from the second day of February, 1983, namely:-

“(vi-1) an unincorporated association or body of persons which supplies goods to its members for cash, deferred payment or other valuable consideration;”

(b) in clause (t),-

(i) after sub-clause (iv), the following shall be and shall be deemed to have been inserted with effect from the second day of February, 1983, namely:-

“(v) a supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration;

(vi) a supply by way of or as part of any service or in any other manner whatsoever of goods, being food or any other article for human consumption or any drink (whether or not intoxicating) where such supply or service is for cash, deferred payment or other valuable consideration, and such transfer, delivery or supply of any goods shall be deemed to be a sale of those goods by the person making the transfer, delivery or supply and a purchase of those goods by the person to whom such transfer, delivery or supply is made.”

(ii) Explanation 3-A shall be and shall be deemed to have been omitted with effect from the second day of February, 1983.

(2) in section 12,-

(a) in sub-section (1), the following proviso shall be inserted, namely:-

“Provided that the specified class of dealers as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification.”

(b) in sub-section (1-A), the following proviso shall be inserted, namely:-

“Provided that the specified class of dealers as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification.”

(3) in section 12-B, in sub-section (1), after the fourth proviso, the following proviso shall be inserted, namely:-

“Provided also that the specified class of dealers as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet and also pay the tax payable on the basis of the statement, by electronic remittance through internet, in the manner specified in the said notification.”

(4) in section 13, in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-

“Provided further that the specified class of dealers as may be notified by the Commissioner shall pay the tax or any other amount due under this Act, by electronic remittance through internet in the manner specified in the said notification.”

(5) in section 25-B,-

(a) in sub-section (3), the following proviso shall be inserted, namely:-

“Provided that the specified class of dealers as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification.”

(b) in sub-section (4), the following proviso shall be inserted, namely:-

“Provided that the specified class of dealers as may be notified by the Commissioner shall pay the tax payable under sub-section (1) and cess payable under sub-section(2), by electronic remittance through internet in the manner specified in the said notification.”

3. Amendment of Karnataka Act 30 of 1958.- In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in section 6-A,-

(a) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-

“Provided further that the specified class of proprietors of entertainments as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification.”

(b) in sub-section (1-A), the following proviso shall be inserted, namely:-

“Provided that the specified class of proprietors of entertainments as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification.”

(2) in section 9, in sub-section (1), the following proviso shall be inserted, namely:-

“Provided that the specified class of proprietors of entertainments as may be notified by the Commissioner shall pay the tax or any other amount due under this act, by electronic remittance through internet in the manner specified in the said notification.”

4. Amendment of Karnataka Act 35 of 1976.- In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976),-

(1) in section 6,-

(a) in sub-section (1), the following proviso shall be inserted, namely:-

“Provided further that the specified class of employers as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification.”

(b) in sub-section (2), the following proviso shall be inserted, namely:-

“Provided that the specified class of employers as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification.”

(2) in section 6-A,-

(a) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-

“Provided further that the specified class of employers as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet in the manner specified in the said notification.”

(b) in sub-section (2), the following proviso shall be inserted, namely:-

“Provided that the specified class of employers as may be notified by the Commissioner shall pay the tax payable on the basis of the statement under sub-section (1), by electronic remittance through internet in the manner specified in the said notification.”

(3) in section 10,-

(a) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-

“Provided further that the specified class of enrolled persons as may be notified by the Commissioner shall pay the tax payable, by electronic remittance through internet and also submit the return in the prescribed form, electronically through internet, in the manner specified in the said notification.”

(b) in sub-section (5), the following proviso shall be inserted, namely:-

“Provided that the specified class of persons as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet and also pay the amount of tax deducted on the basis of the statement, by electronic remittance through internet, in the manner specified in the said notification.”

5. Amendment of Karnataka Act 22 of 1979.- In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979),-

(1) in section 3, in sub-section (1),-

(a) in the entries relating to serial number 2, for the words “Six per cent of such charges”, the words “Eight per cent of such charges” shall be substituted;

(b) in the entries relating to serial number 3, for the words “Ten per cent of such charges”, the words “Twelve per cent of such charges” shall be substituted.

(2) in section 5,-

(a) in sub-section (1), the following proviso shall be inserted, namely:-

“Provided that the specified class of proprietors as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification.”

(b) in sub-section (2), the following proviso shall be inserted, namely:-

“Provided that the specified class of proprietors as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification.”

(3) in section 5-A,-

(a) in sub-section (1), the following proviso shall be inserted, namely:-

“Provided that the specified class of proprietors as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet in the manner specified in the said notification.”

(b) in sub-section (2), the following proviso shall be inserted, namely:-

“Provided that the specified class of proprietors as may be notified by the Commissioner shall pay the tax payable on the basis of the statement under sub-section (1), by electronic remittance through internet in the manner specified in the said notification.”

(4) in section 8, in sub-section (1), the following proviso shall be inserted, namely:-

“Provided that the specified class of proprietors as may be notified by the Commissioner shall pay the tax or any other amount due under this Act, by electronic remittance through internet in the manner specified in the said notification.”

(5) in section 11-A, in sub-section (1), for the words “sixty days” in two places where they occur, the words “one hundred and eighty days” shall be substituted.

6. Amendment of Karnataka Act 27 of 1979.- In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979),-

(1) in section 5,-

(a) in sub-section (1), the following proviso shall be inserted, namely:-

“Provided that the specified class of dealers as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification.”

(b) in sub-section (2), the following proviso shall be inserted, namely:-

“Provided that the specified class of dealers as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification.”

(2) in section 7, in sub-section (1), the following proviso shall be inserted, namely:-

“Provided that the specified class of dealers as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet and also pay the tax payable on the basis of the statement, by electronic remittance through internet, in the manner specified in the said notification.”

(3) in section 8, in sub-section (1), the following proviso shall be inserted, namely:-

“Provided further that the specified class of dealers as may be notified by the Commissioner shall pay the tax or any other amount due under this Act, by electronic remittance through internet in the manner specified in the said notification.”

(4) after section 8-A, the following shall be inserted, namely:-

“8-B. Payment of tax at source in the case of sugar.- (1) Notwithstanding anything contained in sections 7 and 8, every dealer purchasing sugar from a manufacturer in the State, shall pay an amount equivalent to the tax payable by such dealer under the Act on entry of sugar so purchased into a local area in the State by such dealer to such manufacturer of sugar.

(2) Every manufacturer of sugar to whom an amount is payable by a purchaser as specified under sub-section (1), shall deliver sugar to the purchaser only after payment of such amount to him and where the sugar is delivered without payment of such amount, it shall be deemed to be an amount due under this Act from such manufacturer of sugar.

(3) Every manufacturer of sugar in the State shall submit every month to the prescribed authority a statement in the prescribed form containing particulars of tax paid to him under sub-section (1) during the preceding month and remit the amount of tax so paid to him within twenty days after the close of the preceding month in which such payment was made and the amount liable to be so remitted shall be deemed to be an amount due under this Act.

Provided that the specified class of manufacturers as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet and also pay the amount of tax payable on such statement, by electronic remittance through internet, in the manner specified in the said notification.

(4) The manufacturer of sugar to whom payment is made under sub-section (3), shall furnish to the purchaser who has made such payment, a certificate obtained from the prescribed authority containing such particulars as may be prescribed.

(5) Payment in accordance with sub-section (1), shall be without prejudice to any other mode of recovery of tax due under this Act from the purchasing dealer on entry of sugar purchased.

(6) Where tax in respect of purchase of sugar is remitted under sub-section (3), the tax payable by the purchasing dealer on entry of such sugar or where no tax is payable in respect of purchase of such sugar, any other tax payable by the purchasing dealer, shall be reduced by the amount of tax already remitted under the said sub-section.

(7) The burden of proving that the tax on such entry of sugar has already been remitted and of establishing the exact quantum of tax so remitted shall be on the dealer claiming the reduction.”

(5) in section 12-C, in sub-section (1), for the words, figures and brackets “Section 4 of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957)”, the words, figures and brackets “section 60 of the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)” shall be substituted.

7. Validation of assessments, etc.,-Notwithstanding anything contained in any judgment, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) (hereinafter referred to as the said Act) before the commencement of this Act from an unincorporated association or body of persons which supplies goods to its members for cash, deferred payments or other valuable consideration shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Act, as amended by this Act and accordingly,-

- (a) all acts, proceedings or things taken or done by any authority in connection with levy, assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;
- (b) no suit or other proceedings shall be maintained or continued in any Court of Tribunal or before any authority for the refund of any such tax; and
- (c) no Court shall enforce any decree or order directing the refund of any such tax.

By Order and in the name of the Governor of Karnataka

G.K. BOREGOWDA

Secretary to Government,

Department of Parliamentary Affairs and Legislation

ಸರ್ಕಾರಿ ಮುದ್ರಣಾಲಯ, ವಿಕಾಸ ಸೌಧ ಘಟಕ, ಬೆಂಗಳೂರು. (ಪಿ-3)

KARNATAKA ACT NO. 15 OF 2011
THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2011
Arrangement of Sections

Sections:

1. Short title and commencement
2. Amendment of Mysore Act IX of 1932
3. Amendment of the Mysore Act VIII of 1952
4. Amendment of Karnataka Act 30 of 1958
5. Amendment of Karnataka Act 35 of 1976
6. Amendment of Karnataka Act 22 of 1979
7. Amendment of Karnataka Act 27 of 1979
8. Repeal of certain enactments

STATEMENT OF OBJECTS AND REASONS

Amending Act 15 of 2011.- It is considered necessary to amend the Mysore Betting Tax Act, 1932, the Mysore Race Courses Licensing Act, 1932, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Tax on Luxuries Act, 1979 and the Karnataka Tax on Entry of Goods Act, 1979 to,

- (i) extend the application of the Betting Tax Act, 1932 and the Mysore Race Courses Licensing Act, 1952 for the whole of State of Karnataka;
- (ii) to omit certain redundant provisions and the Schedules in the Betting Tax Act, 1932 and the Mysore Race Courses Licensing Act, 1952;
- (iii) to repeal certain redundant enactments; and
- (iv) give effect to the proposals made in the Budget and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A. Bill No.11 of 2011, File No.Samvyashae 13 Shasana 2011]

[Entries 34,52, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

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KARNATAKA ACT NO. 15 OF 2011

(First Published in the Karnataka Gazette Extra-ordinary on the nineteenth day of March, 2011)

THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2011

(Received the assent of the Governor on the seventeenth day of March, 2011)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Sixty second year of the Republic of India, as follows.-

1. Short title and commencement.- (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2011.

(2) It shall come into force with effect from the First day of April, 2011.

2. Amendment of Mysore Act IX of 1932.- In the Betting Tax Act, 1932 (Mysore Act IX of 1932),-

(1) in section 1, for sub-section (2), the following shall be substituted, namely:-

“(2) It extends to the whole of the State of Karnataka.”

(2) for section 3-A, the following shall be substituted, namely:-

“3-A. Payment of totalisator tax by way of composition.- Notwithstanding anything contained in section 3, but subject to such conditions as may be prescribed, the State Government may, if a licensee so elects, accept in lieu of the totalisator tax payable under section 3 during any year, by way of composition, in respect of a licensee in Bangalore City at the rate of eight percent of the total amount of moneys paid into the totalisator and in respect of a licensee in Mysore City at the rate of four percent of the total amount of moneys paid into the totalisator.”

(3) sections 12, 13 and 14, as existed before the Mysore Betting Tax (Karnataka Amendment) Act, 1980 (Karnataka Act 22 of 1980) shall be omitted.

3. Amendment of the Mysore Act VIII of 1952.- In the Mysore Race Courses Licensing Act, 1952 (Mysore Act VIII of 1952),-

(1) in the Title, long title and preamble, for the word “Mysore”, the word “Karnataka” shall be substituted; and

(2) in section 1,-

(i) in sub-section (1), for the word “Mysore”, the word “Karnataka” shall be substituted;

(ii) for sub-section (2), the following shall be substituted, namely:-

“(2) It extends to the whole of the State of Karnataka.”.

(3) sections 12, 13 and 14 and the Schedule shall be omitted.

4. Amendment of Karnataka Act 30 of 1958.- In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in section 2,-

(i) after clause (a), the following shall be inserted, namely:-

“(aa) **“Additional Commissioner”** means the Additional Commissioner of Commercial Taxes appointed under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) or the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004); ”

(ii) clause (da) shall be omitted;

(2) in section 5,-

(i) after the words “with the previous approval of the State Government”, the words “ or the Commissioner or any officer authorised by the State Government or the Commissioner” shall be inserted;

(ii) for the words “as may be specified by the State Government”, the words “as may be prescribed or specified by the State Government” shall be substituted.

(iii) in the proviso, after the words “the State Government”, the words “ or the Commissioner or any officer authorised by the State Government or the Commissioner” shall be inserted.

(3) in section 6-A,-

(i) in the title, for the word “Returns”, the words “Submission of returns and furnishing of information” shall be substituted.

(ii) after sub-section (1-A), the following shall be inserted, namely:-

“(1-B) Every proprietor of a cinema theatre belonging to a specified class as may be notified by the Commissioner shall enter in the website, particulars of each cinematograph show within such time as may be specified in the notification.”

(4) after section 8-C, the following shall be inserted, namely:-

“8-CC. Revision by the Additional Commissioner.- (1) The Additional Commissioner may on his own motion call for and examine the record of any order passed or proceeding recorded under this Act and if he considers that any order passed therein by any officer, who is not above the rank of a Joint Commissioner, is erroneous in so far as it is prejudicial to the interest of the revenue, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the person concerned an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment, or canceling the assessment or directing a fresh assessment.

(2) The Additional Commissioner shall not exercise any power under sub-section (1), if.-

- (a) the time for appeal against the order has not expired;
- (b) the matter has been subject to an appeal under Section 8-E or a revision in the High Court; or
- (c) more than four years have expired after the passing of the order sought to be revised.

Provided that in the case of an order passed by the Appellate Authority under Section 8-E allowing the appeal preferred in full, the condition specified in clause (a) shall not apply.

(3) Notwithstanding anything contained in sub-section (2), the Additional Commissioner may pass an order under sub-section (1), on any point which has not been raised and decided in an appeal or revision referred to in clause (b) of sub-section (2), before the expiry of a period of one year from the date of the order in such appeal or revision or before the expiry of a period of four years referred to in clause (c) of that sub-section, whichever is later.

(4) Every order passed in revision under sub-section (1) shall, subject to the provisions of Section 8-D be final.

(5) If the order passed or proceedings recorded by the Additional Commissioner, involves an issue on which the High Court has given its decision adverse to the revenue in some other proceedings and an appeal to the Supreme Court against such decision of the High Court is pending, the period spent between the date of the decision of the High Court and the date of the decision of the Supreme Court shall be excluded in computing the period referred to in clause (c) of sub-section (2).

(6) In computing the period of limitation for the purpose of sub-section (2), any period, during which any proceeding under this Section is stayed by an order or injunction of any court, shall be excluded.

(7) For the purposes of this Section, ‘record’ shall include all records relating to any proceedings under this Act available at the time of examination by the Additional Commissioner.”

(5) Section 10A shall be omitted.

5. Amendment of Karnataka Act 35 of 1976.- In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), in section 5,-

(1) after sub-section (1), the following proviso shall be inserted, namely:-

“Provided that the Commissioner may notify the website in which an application for registration shall be made electronically in the manner specified in the said notification.”

(2) after sub-section (2), the following proviso shall be inserted, namely:-

“Provided that the Commissioner may notify the website in which an application for enrolment shall be made electronically in the manner specified in the said notification.”

6. Amendment of Karnataka Act 22 of 1979.- In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979),-

(1) in section 2, after clause (1-C), the following shall be inserted, namely:-

“(1-D) **“Additional Commissioner”** means the Additional Commissioner of Commercial Taxes appointed under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) or the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004); ”

(2) in section 4-A, after sub-section (1), the following proviso shall be inserted, namely:-

“Provided that the Commissioner may notify the website in which an application for registration shall be made electronically in the manner specified in the said notification.”

(3) in section 10,-

(i) in the title for the words “Joint Commissioner and ”, the words and punctuation mark “Joint Commissioner, Additional Commissioner and ” shall be substituted;

(ii) after sub-section (1), the following shall be inserted, namely:-

“(1-A) The Additional Commissioner may of his own motion, call for and examine the record of any order passed or proceedings recorded under the provisions of this Act by any officer, who is not above the rank of a Joint Commissioner, for the purpose of satisfying himself as to the legality or propriety of such order or as to the regularity of such proceeding insofar as it is prejudicial to the interest of revenue, and pass such orders with reference thereto as he thinks fit.”

(iii) in sub-section (2), for the words “Joint Commissioner”, the words “Additional Commissioner” shall be substituted;

(iv) in sub-section (3), for the words, brackets and figures “sub-sections (1) and (2)”, the words, brackets, figures and letter “sub-sections (1), (1-A) and (2)” shall be substituted;

(v) in sub-section (4), for the words, brackets and figures “sub-section (1) or (2)”, the words, brackets, figures and letter “sub-section (1), (1-A) or (2)” shall be substituted;

(vi) in sub-section (6), for the words, brackets and figures “sub-section (1)”, the words, brackets, figures and letter “sub-section (1) or (2)” shall be substituted.

(vii) in the Explanation I, for the words “the Joint Commissioner”, the words “the Additional Commissioner or the Joint Commissioner” shall be substituted.

(4) for section 12-A, the following shall be substituted, namely:-

“12-A. Power of State Government to exempt or reduce tax or permit payment of composition amount.- The State Government may, if in its opinion, it is necessary in the public interest so to do, by notification and subject to such restrictions and conditions and for such period as may be specified in the notification,-

(a) exempt or reduce the tax payable under this Act in respect of specified class of hotels, marriage halls, clubs and hospitals; and,

(b) permit payment of an amount by way of composition in lieu of the tax payable under this Act in respect of specified class of hotels.”

7. Amendment of Karnataka Act 27 of 1979.- In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979),-

(1) in section 4, in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-

“Provided further that the Commissioner may notify the website in which an application shall be made electronically.” ;

(2) in section 18-B,-

(i) in sub-section (1), for the word, figure and letter “Section 28-A”, the words, figures and letter “Section 28-A of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) or sub-section (3) of Section 53 of the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)” shall be substituted;

(ii) for the Explanation at the end, the following shall be substituted, namely:-

“**Explanation.-** In case where a vehicle owned by a person is hired for transportation of goods by some other person including a transporting or any other similar agency, both the persons shall for the purposes of this Section, be deemed to be the owner of the vehicle, and shall be jointly and severally liable to pay any amount of tax or penalty payable.”

8. Repeal of certain enactments.- The enactments specified in the Schedule below, as in force in the Belgaum, Gulbarga and Mangalore and Kollegal Areas of the State are hereby repealed.

SCHEDULE
(see section 3)

Sl. No.	Year of Enactment	No. of Enactment	Name of Enactment	Area where the enactment is in force
(1)	1912	III	The Bombay Race-Courses Licensing Act	Belgaum Area
(2)	1358F	LI	The Hyderabad Horse Racing and Betting Tax Regulation 1358F	Gulbarga Area
(3)	1925	VI	The Bombay Betting Tax Act	Belgaum Area
(4)	1935	XX	The Madras Betting Tax Act	Mangalore and Kollegal Area

By Order and in the name of the Governor of Karnataka
G.K. BOREGOWDA
Secretary to Government,
Department of Parliamentary Affairs and Legislation

KARNATAKA ACT NO 18 OF 2012
THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2012

Arrangement of Sections

Sections:

1. **Short title and commencement**
2. Amendment of Karnataka Act 22 of 1957
3. Amendment of Karnataka Act 30 of 1958
4. Amendment of Karnataka Act 35 of 1976
5. Amendment of Karnataka Act 22 of 1979
6. Amendment of Karnataka Act 27 of 1979

STATEMENT OF OBJECTS AND REASONS

Amending Act 18 of 2012.- It is considered necessary to amend the Karnataka Agricultural Income Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Tax on Luxuries Act, 1979 and the Karnataka Tax on Entry of Goods Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A. Bill No. 4 of 2012, File No.Samvyashae 24 Shasana 2012]

[Entries 46, 52, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

KARNATAKA ACT NO 18 OF 2012

(First Published in the Karnataka Gazette Extra-ordinary on the thirty-first day of March, 2012)

THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2012

(Received the assent of the Governor on the thirty-first day of March, 2012)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Sixty third year of the Republic of India, as follows.-

1. Short title and commencement.- (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2012.

(2) It shall come into force with effect from the First day of April, 2012.

2. Amendment of Karnataka Act 22 of 1957.- In the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957),-

(1) in section 55, in sub-section (1), for the words “sixty days” occurring in two places, the words “one hundred and eighty days” shall be substituted;

(2) section 66 shall be omitted.

(3) in the Schedule Part II shall be omitted.

3. Amendment of Karnataka Act 30 of 1958.- In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in section 6-A,-

(i) for sub-section (2), the following shall be substituted, namely:-

“(2) Every proprietor shall be deemed to have been assessed to tax based on the return submitted by him under sub-section (1), except in cases where the Commissioner may notify the requirement of production of accounts by the proprietor before the prescribed authority within a period of six months from the date of submitting the return, in support of a return submitted for any period and such authority shall proceed to assess such proprietor,-

(a) on the basis of the return submitted where it is satisfied the return submitted is correct and complete, or

(b) to the best of its judgment, where the return submitted appears to be incorrect or incomplete, after giving the proprietor a reasonable opportunity of showing cause against such assessment in writing.

Provided that nothing in this sub-section shall apply to a return submitted for any prescribed period upto the period ending 31st March, 2012.”

(ii) in sub-section (5), after the third proviso, the following proviso shall be inserted, namely:-

“Provided also that nothing in this sub-section shall apply to a return submitted for any prescribed period commencing after 1st April, 2012. ” ;

(2) after section 6-D, the following shall be inserted, namely:-

“6-E. Registration of certain proprietors.- (1) No proprietor of a cinema theatre or a video parlour shall run such cinema theatre or video parlour without registration under this Act.

(2) Every proprietor of a cinema theatre or video parlour liable to pay tax under this Act shall get himself registered by making an application in the prescribed form in such manner as may be prescribed.

Provided that the Commissioner may notify the website in which an application shall be made electronically.

(3) On receipt of an application to register, the prescribed authority shall register any such proprietor and granting him a certificate of registration if he satisfies that he complies with the requirements of this Act with effect from the date of commencement of entertainment.

(4) Every proprietor who is already paying tax under the Act shall be deemed to have been registered under this Act and he shall be granted a certificate of registration without making any application.

(5) The prescribed authority may for good and sufficient reasons, cancel any registration granted, on its own motion or on the application of the proprietor.

Provided that no registration granted shall be cancelled on its own motion without giving a reasonable opportunity to the proprietor”

4. Amendment of Karnataka Act 35 of 1976.- In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976),-

(1) in section 6-A, in sub-section (1), the first proviso and the Explanation shall be omitted;

(2) Section 7-A shall be omitted; and

(3) in section 18-A, in sub-section (1), for the words “sixty days” occurring in two places, the words “one hundred and eighty days” shall be substituted.

5. Amendment of Karnataka Act 22 of 1979.- In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979),-

(1) in section 2, for clause (5-B), the following shall be substituted, namely:-

“(5-B) “**Marriage Hall**” means,-

(i) Kalyana Mantap, Shadi Mahal, Community Hall, a building or part of a building or a temporary structure or a property as defined in section 3 of the Transfer of Property Act, 1882 where accommodation is provided for marriage or reception or matters related therewith or for organizing any official, social or business function whether functions are conducted in such place regularly or not;

(ii) Seminar, convention, banquets, meeting or exhibition hall or a temporary structure or a property as defined in section 3 of the Transfer of Property Act, 1882 where accommodation is provided for marriage or reception or matters related therewith or for organizing any official, social or business function whether functions are conducted in such place regularly or not;

(iii) Any other place or temporary structure as may be specified by the Commissioner, where accommodation is provided for marriage or reception or matters related therewith or for organizing any official, social or business function whether functions are conducted in such place regularly or not.”

(2) in section 6, for sub-sections (1) and (2), the following shall be substituted, namely:-

“(1) Every proprietor shall be deemed to have been assessed to tax based on the return submitted by him under sub-section (1) of section 5, except in cases where the Commissioner may notify the requirement of production of accounts by the proprietor before the Luxury Tax Officer within six months from the date of submitting the return, in support of a return submitted for any period and such authority shall proceed to assess such proprietor,-

- (a) on the basis of the return submitted where he is satisfied the return submitted is correct and complete, or
- (b) to the best of his judgment, where the return submitted appears to be incorrect or incomplete, after giving the proprietor a reasonable opportunity of showing cause against such assessment in writing.

Provided that nothing in this sub-section shall apply to a return submitted for any year upto the year ending 31st March, 2012.”

6. Amendment of Karnataka Act 27 of 1979.- In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), in section 15-A, in sub-section (1), for the words “one hundred and twenty days” occurring in two places, the words “one hundred and eighty days” shall be substituted.

By Order and in the name of the Governor of Karnataka,

G.K. BOREGOWDA

Secretary to Government,

Department of Parliamentary Affairs and Legislation

KARNATAKA ACT NO 53 OF 2013
THE KARNATAKA TAXATION LAWS (SECOND AMENDMENT) ACT, 2013
Arrangement of Sections

Sections:

1. Short title and commencement
2. Amendment of Karnataka Act 25 of 1957
3. Amendment of Karnataka Act 30 of 1958
4. Amendment of Karnataka Act 35 of 1976
5. Amendment of Karnataka Act 27 of 1979

STATEMENT OF OBJECTS AND REASONS

Amending Act 53 of 2013.- It is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 and the Karnataka Tax on Entry of Goods Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith particularly to specify that any clarification issued by the Commissioner of Commercial Taxes under the Karnataka Sales Tax Act, 1957 or the Karnataka Tax on Entry of Goods Act, 1979 overrides the clarification of the Authority for Clarification and Advance Rulings.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A. Bill No. 07 of 2013, File No. Samvyashae 36 Shasana 2013]

[Entries 52, 54, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

KARNATAKA ACT NO 53 OF 2013

(First Published in the Karnataka Gazette Extra-ordinary on the Thirty First day of July, 2013)

THE KARNATAKA TAXATION LAWS (SECOND AMENDMENT) ACT, 2013

(Received the assent of the Governor on the Thirty First day of July, 2013)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Sixty Fourth year of the Republic of India, as follows.-

1. Short title and commencement.- (1) This Act may be called the Karnataka Taxation Laws (Second Amendment) Act, 2013.

(2) It shall come into force with effect from the First day of August, 2013.

2. Amendment of Karnataka Act 25 of 1957.- In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), in section 4, after sub-section (12), the following shall be inserted, namely:-

“(13) Notwithstanding any clarification or any ruling given by the ‘Authority for Clarification and Advance Rulings’ under sub-section (7) pertaining to any particular goods, the rate of tax payable in respect of such goods by the applicant shall be at such rate as may be clarified by the Commissioner under sub-section (2) of section 3-A, from the date of its publication in the official Gazette.”

3. Amendment of Karnataka Act 30 of 1958.- In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958), in section 4-AA, in the table,

(i) in the entries relating to serial number (a), in column (3), for the words “one rupee and fifty paise”, the words “three rupees” shall be substituted;

(ii) in the entries relating to serial number (b), in column (3), for the words “one rupee”, the words “two rupees” shall be substituted.

4. Amendment of Karnataka Act 35 of 1976.- In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), in the schedule, in the entries relating to serial number 4, in column (2), for the letters and figures “Rs. 36,000”, occurring in two places, the letters and figures “Rs. 1,20,000” shall respectively be substituted.

5. Amendment of Karnataka Act 27 of 1979.- In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), in section 12-C, after sub-section (2), the following shall be inserted, namely:-

“(3) Notwithstanding any clarification or any ruling given by the ‘Authority for Clarification and Advance Rulings’ under sub-section (1) pertaining to any particular goods, the rate of tax payable in respect of such goods by the applicant shall be at such rate as may be clarified by the Commissioner under sub-section (7) of section 12, from the date of its publication in the official Gazette.”

By Order and in the name of the Governor of Karnataka,

K.S. MUDAGAL

Secretary to Government (i/c)

Department of Parliamentary Affairs and Legislation